**Jin Jiang International Holding Company Limited**
*(a company incorporated in the People's Republic of China with limited liability)*

**Shanghai Jin Jiang Capital Company Limited***
*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*
**(Stock code: 2006)**

# JOINT ANNOUNCEMENT
# (1) PROPOSED PRE-CONDITIONAL MERGER BY ABSORPTION OF THE COMPANY BY THE OFFEROR
# (2) PROPOSED WITHDRAWAL OF LISTING
# AND
# (3) RESUMPTION OF TRADING

**Financial Advisers to the Offeror**

## SUMMARY

### 1. INTRODUCTION

The Offeror and the Company are pleased to jointly announce that on 24 November 2021, the Offeror and the Company entered into the Merger Agreement, pursuant to which the Offeror and the Company will implement the Merger subject to the terms and conditions of the Merger Agreement, including the Pre-Condition and the Conditions. After the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws.

## 2. PROPOSED MERGER

Pursuant to the Merger Agreement, conditional upon, among others, the fulfilment (or waiver, as applicable) of the Pre-Condition and the Conditions, the Offeror will pay the Cancellation Price in the amount of HK$3.10 per H Share to the H Shareholders in cash, but will not be required to pay consideration for the Domestic Shares as the sole Domestic Shareholder.

After the completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company, and the Company will be eventually deregistered.

The Offeror shall, as soon as possible and in any event no later than seven (7) business days after fulfilment (or waiver, if applicable) of the Pre-Condition and all the Conditions (being the Conditions to effectiveness and the Conditions to implementation), pay the Cancellation Price to all H Shareholders in accordance with the Merger Agreement.

Jin Shao HK, a wholly-owned subsidiary of the Offeror, has undertaken with the Offeror to pay on its behalf the total consideration for cancellation of the H Shares. The payment of the total consideration for cancellation of the H Shares will be financed by internal resources from the Offeror and its wholly-owned subsidiaries and external borrowings. The Offeror intends to pay the Cancellation Price by a loan facility in the principal amount of HK$4,000,000,000 obtained by Jin Shao HK from Industrial and Commercial Bank of China (Asia) Limited and its internal resources.

The Offeror has appointed Orient Capital and Nomura as its joint financial advisers in connection with the Merger. Orient Capital and Nomura, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror for the satisfaction of the Offeror's obligations in respect of the full implementation of the Merger.

Subject to the satisfaction of all the Conditions to implementation, all rights attaching to such H Shares (except for the right to receive the Cancellation Price) shall cease to have effect and the relevant H Shares shall be cancelled with effect from the Delisting Date. The share certificates for H Shares will cease to have effect as documents or evidence of title.

**The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.**

## 3. PROPOSED WITHDRAWAL OF LISTING OF H SHARES

Upon satisfaction of the Pre-Condition and all the Conditions to effectiveness, the Company will apply to the Stock Exchange for voluntary withdrawal of the listing of the H Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

The Company will issue separate announcement(s) notifying H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in H Shares on the Stock Exchange as well as when the formal delisting of the H Shares will become effective.

The listing of the H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason.

## 4. SHAREHOLDING IN THE COMPANY

As at the date of this joint announcement, the total issued shares of the Company are 5,566,000,000 Shares, which comprise 1,391,500,000 H Shares and 4,174,500,000 Domestic Shares.

As at the date of this joint announcement, the Offeror owns all of the 4,174,500,000 Domestic Shares directly in the Company, representing 75% of the voting interests in the Company.

## 5. DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, amongst others, (i) further details of the Merger and the Merger Agreement and other matters in relation to the Merger; (ii) a letter of advice issued by the Independent Financial Adviser to the Independent Board Committee; and (iii) recommendations and advice from the Independent Board Committee, together with a notice of the EGM, a notice of the H Shareholders' Class Meeting and proxy forms are expected to be despatched to H Shareholders subsequent to the satisfaction of the Pre-Condition. As additional time is required for the satisfaction of the Pre-Condition, the Offeror and the Company will apply to the Executive for an extension of time to despatch the Composite Document under Note 2 to Rule 8.2 of the Takeovers Code. Further announcement(s) will be made in respect of the despatch of the Composite Document if and when appropriate in accordance with the Takeovers Code.

## 6. RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Stock Exchange was halted from 1:00 p.m. on 17 November 2021. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares from 9:00 a.m. on 25 November 2021.

**The Pre-Condition and the Conditions to effectiveness must be satisfied before the Merger Agreement becomes effective. The Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to implementation set out in this joint announcement being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Conditions or Pre-Condition can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

## *NOTICE TO U.S. HOLDERS OF SHARES*

*The Merger will involve the cancellation of the securities of a joint stock limited company incorporated in the PRC with limited liability by means of a merger by absorption provided for under the laws of the PRC. The Merger is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this joint announcement has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of cash pursuant to the Merger by a U.S. holder of Shares as consideration for the cancellation of its Shares pursuant to the Merger may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of the implementation of the Merger.*

*U.S. holders of Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Offeror and the Company are located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court*

*for violations of the U.S. securities laws. Further, U.S. holders of Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.*

*In accordance with normal practice in Hong Kong, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, before or during the Offer Period. In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, Nomura and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States. Any information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent made public by the SFC, will be available on the website of the SFC at http://www.sfc.hk.*

## 1. INTRODUCTION

The Offeror and the Company are pleased to jointly announce that on 24 November 2021, the Offeror and the Company entered into the Merger Agreement, pursuant to which the Offeror and the Company will implement the Merger subject to the terms and conditions of the Merger Agreement, including the Pre-Condition and the Conditions. After the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws.

## 2. PROPOSED MERGER

Pursuant to the Merger Agreement, conditional upon, among others, the fulfilment (or waiver, as applicable) of the Pre-Condition and the Conditions set out in the section headed "*3. PRINCIPAL TERMS OF THE MERGER AGREEMENT*" below, the Offeror will pay the Cancellation Price in the amount of HK$3.10 per H Share to the H Shareholders in cash, but will not be required to pay consideration for the Domestic Shares as the sole Domestic Shareholder.

The amount of aggregate Cancellation Price required to be paid by the Offeror to cancel the H Shares held by H Shareholders is HK$4,313,650,000.

After the completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company, and the Company will be eventually deregistered.

## 3. PRINCIPAL TERMS OF THE MERGER AGREEMENT

The principal terms and conditions of the Merger Agreement include:

**Parties**

(1) The Offeror; and

(2) the Company.

**Overview of the Merger**

Subject to the terms and conditions of the Merger Agreement, the Merger will be implemented by the Offeror merging the Company by way of merger by absorption.

After the completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company, and the Company will be eventually deregistered.

**Consideration**

Pursuant to the Merger Agreement, conditional upon, among others, the fulfilment (or waiver, as applicable) of the Pre-Condition, the Conditions to effectiveness and the Conditions to implementation set out in the paragraphs headed "*Pre-Condition to the Merger Agreement becoming effective*", "*Conditions to effectiveness*" and "*Conditions to implementation*" below, the Offeror will pay the Cancellation Price in the amount of HK$3.10 per H Share to the H Shareholders in cash, but will not be required to pay consideration for the Domestic Shares as the sole Domestic Shareholder.

**Pre-Condition to the Merger Agreement becoming effective**

The Merger Agreement is subject to the satisfaction of a pre-condition, being the review, approval, filing or registration, as applicable, with or by (a) the National Development and Reform Commission of the PRC (as applicable), (b) Ministry of Commerce of the PRC or its local authorities (as applicable) and (c) the State Administration of Foreign Exchange of the PRC or its local authorities (as applicable), (d) State-owned Assets Supervision and Administration Commission of the State Council or its local authorities or authorised units (as applicable), and such other applicable governmental approvals in respect of the Merger having been obtained or completed (the "**Pre-Condition**"). Save for the governmental approvals as mentioned in (a), (b), (c) and (d) above, the Offeror is not currently aware of any other applicable governmental approvals which are required in respect of the Merger.

The Pre-Condition is not waivable. If the Pre-Condition is not satisfied by the Long-stop Date, the Merger Agreement will not become effective and will be automatically terminated.

Upon fulfilment of the Pre-Condition, the Offeror and the Company will post the Composite Document in accordance with the Takeovers Code, and the EGM and H Shareholders' Class Meeting will be convened pursuant to the respective notice to such meetings for the Shareholders and the H Shareholders, respectively, to consider and, if thought fit, approve matters including the Merger.

**Conditions to effectiveness**

After the Pre-Condition is satisfied, the Merger Agreement shall become effective upon satisfaction of all of the following conditions (none of which is waivable) (the "**Conditions to effectiveness**"):

(1) the passing of special resolution(s) by a majority of not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the EGM to approve the Merger under the Merger Agreement in accordance with the Articles and the PRC Laws;

(2) the passing of special resolution(s) by way of poll approving the Merger under the Merger Agreement at the H Shareholders' Class Meeting to be convened for this purpose, provided that: (a) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and (b) the number of votes cast against the resolution(s) is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders.

If the above Conditions to effectiveness are not satisfied by the Long-stop Date, the Merger Agreement will be terminated by either party. Please also refer to the paragraph headed "*Termination*" in this section.

**Conditions to implementation**

After the Merger Agreement becomes effective upon satisfaction of the Pre-Condition and all the Conditions to effectiveness, the implementation of the Merger shall be subject to the following conditions being satisfied or waived, as applicable (the "**Conditions to implementation**", together with the Conditions to effectiveness, collectively, the "**Conditions**"):

(1) there being no material breach of the representations, warranties or undertakings given by the Offeror in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger;

(2) there being no material breach of the representations, warranties or undertakings given by the Company in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger; and

(3) there being no law, restriction or prohibition of any governmental authority or any judgment, decision or adjudication of any court on the Delisting Date which restricts, prohibits or terminates the Merger.

The Company shall be entitled to waive Condition to implementation (1) above and the Offeror shall be entitled to waive Condition to implementation (2) above. Condition to implementation (3) above is not waivable. If the above Conditions to implementation are not satisfied or if applicable, waived, by the Long-stop Date, the Merger Agreement will be automatically terminated. Please also refer to the paragraph headed "*Termination*" in this section.

**Payment of consideration**

The Offeror shall, as soon as possible and in any event no later than seven (7) business days after fulfilment (or waiver, if applicable) of the Pre-Condition and all the Conditions (being the Conditions to effectiveness and the Conditions to implementation), pay the Cancellation Price to all H Shareholders.

Subject to the satisfaction of all the Conditions to implementation, all rights attaching to such H Shares (except for the right to receive the Cancellation Price) shall cease to have effect and the relevant H Shares shall be cancelled with effect from the Delisting Date. The share certificates for H Shares will cease to have effect as documents or evidence of title.

Payment of consideration to the H Shareholders is deemed to be completed once the Offeror or any entity designated by it has despatched to the H Shareholders the cheques for such consideration in accordance with the Merger Agreement.

**The Company's Undertakings**

Unless with the prior written consent of the Offeror, the Company shall not issue any Shares, create or grant (or permit the creation, issue or grant) of convertible securities, options or warrants in respect of Shares of the Company, conduct any acquisitions or disposals which may constitute a discloseable transaction or above under Chapter 14 of the Listing Rules, declare, make or pay any dividend or other distribution (whether in cash or in kind) to the Shareholders of the Company, enter into contracts otherwise than in the ordinary course of business, or cause the Company or any subsidiary or associated company to buy back, purchase or redeem any Shares of the Company or provide financial assistance for any such buy-back, purchase or redemption, or any other actions that may constitute a frustrating action under Rule 4 of the Takeovers Code since the date of the Merger Agreement till the termination of the Merger Agreement or the Delisting Date (whichever is earlier).

As at the date of this joint announcement, the Company has no outstanding dividend that has been declared, made but not yet paid. In addition, the Company does not intend to declare, pay and/or make any dividend or other distribution between the date of this joint announcement up to the date on which all of the Pre-Condition and Conditions are satisfied or waived (as applicable), or the date on which the Merger is not approved or otherwise lapsed (as the case may be).

**Right of a Dissenting Shareholder**

According to the Articles, any Dissenting Shareholder may by written notice request the Company and/or other Shareholders who have approved the Merger (collectively the "**Consenting Shareholders**") to acquire its Shares at a "fair price".

If any Dissenting Shareholder exercises its right, the Offeror will assume the obligation which the Company and/or the Consenting Shareholders may have towards such Dissenting Shareholder to acquire the Shares held by that Dissenting Shareholder at a "fair price".

The exercise of its right by a Dissenting Shareholder is subject to the following criteria:

(1) such Dissenting Shareholder having validly voted against the resolutions in respect of the Merger at the EGM and (if applicable) the H Shareholders' Class Meeting;

(2) such Dissenting Shareholder having been validly registered as a shareholder on the share register of the Company since the record date for the EGM and (if applicable) the H Shareholders' Class Meeting, and having held such Share(s) in respect of which it intends to exercise its right until the Exercise Date; and

(3) such Dissenting Shareholder having exercised its right during the Declaration Period.

A Shareholder is not entitled to exercise its right in respect of such Share(s) held by it if:

(1) such Shareholder has undertaken to the Company to waive its right;

(2) such Shareholder is prohibited from exercising its right in accordance with applicable laws; or

(3) any Share held by such Shareholder is subject to pledge, other third-party rights or judicial moratorium, without having legally obtained written consent or approval obtained from the relevant pledgee, third party or competent authority.

**Termination**

The Merger Agreement may be terminated in any of the following circumstances:

(1) by either the Offeror or the Company, if

(i) any competent governmental authority issues any order, decree, ruling or take any other actions which permanently restricts, impedes or otherwise prohibits the Merger and which is final, binding and not capable of being appealed (both the Offeror and the Company shall use reasonable endeavours to procure the withdrawal of such order, decree, ruling or action prior to exercising any right of termination);

(ii) any of the Conditions to effectiveness not having been satisfied on the Long-stop Date; or

(2) by the Offeror, if the Company commits a material breach of the representations, warranties and undertakings under the Merger Agreement or any other agreement related to the Merger Agreement which has a material impact on the Merger and such breach cannot be remedied by the Company within 30 days following written notice from the Offeror; or

(3) by the Company, if the Offeror commits a material breach of the representations, warranties and undertakings under the Merger Agreement or any other agreement related to the Merger Agreement which has a material impact on the Merger and such breach cannot be remedied by the Offeror within 30 days following written notice from the Company.

As at the date of this joint announcement, none of the Pre-Condition or any of the Conditions has been fulfilled or waived.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror and the Company may only invoke any or all of the conditions (1) to (3) set out in the paragraph headed "*Conditions to implementation*" in this section or terminate the Merger Agreement in accordance with the paragraph headed "*Termination*" in this section as a basis for not proceeding with the Merger if the circumstances which give rise to the right to invoke any such condition or termination right are of material significance to the Offeror or the Company in the context of the Merger.

## 4. CANCELLATION PRICE

**Comparisons of value**

The Cancellation Price is HK$3.10 per H Share. The Cancellation Price per H Share represents:

(a) a premium of approximately 33.62% over the closing price per H Share of HK$2.32 on the Stock Exchange on 17 November 2021, being Last Trading Date;

(b) a premium of approximately 56.57% over the closing price per H Share of HK$1.98 on the Stock Exchange on 16 November 2021, being the Last Full Trading Date;

(c) a premium of approximately 63.16% over the average closing price of HK$1.90 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Full Trading Date;

(d) a premium of approximately 67.57% over the average closing price of HK$1.85 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Full Trading Date;

(e) a premium of approximately 77.14% over the average closing price of HK$1.75 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Full Trading Date;

(f) a premium of approximately 85.63% over the average closing price of HK$1.67 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Full Trading Date;

(g) a premium of approximately 86.75% over the average closing price of HK$1.66 per H Share based on the average closing price of H Shares on the Stock Exchange for the 90 trading days immediately prior to and including the Last Full Trading Date;

(h) a premium of approximately 52.71% to the Group's audited net asset value attributable to the Shareholders per Share of approximately HK$2.03 as at 31 December 2020, based on the exchange rate of HK$1: RMB0.84164, being the median exchange rate on 31 December 2020 as announced by the People's Bank of China; and

(i) a premium of approximately 9.93% to the Group's unaudited net asset value attributable to the Shareholders per Share of approximately HK$2.82 as at 30 June 2021, based on the exchange rate of HK$1: RMB0.83208, being the median exchange rate on 30 June 2021 as announced by the People's Bank of China.

For the purpose of this joint announcement, unless the context requires otherwise, amounts denominated in RMB have been translated into HK$ at an exchange rate of HK$1: RMB0.82001 which is the parity rate of RMB to Hong Kong Dollar as at the date of this joint announcement.

**The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.**

**Highest and lowest prices**

During the six-month period immediately up to and including the Last Full Trading Day, the highest closing price of the H Shares as quoted on the Stock Exchange was HK$1.98 on 16 November 2021 and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK$1.52 on 30 August 2021.

**Funding for the Merger**

On the basis of (i) the Cancellation Price of HK$3.10 per H Share, and (ii) 1,391,500,000 H Shares in issue as at the date of this joint announcement, the amount of aggregate Cancellation Price required to be paid by the Offeror in cash to cancel the H Shares held by H Shareholders is HK$4,313,650,000.

Jin Shao HK, a wholly-owned subsidiary of the Offeror, has undertaken with the Offeror to pay on its behalf the total consideration for cancellation of the H Shares. The payment of the total consideration for cancellation of the H Shares will be financed by internal resources from the Offeror and its wholly-owned subsidiaries and external borrowings. The Offeror intends to pay the Cancellation Price by a loan facility in the principal amount of HK$4,000,000,000 obtained by Jin Shao HK from Industrial and Commercial Bank of China (Asia) Limited and its internal resources.

The Offeror has appointed Orient Capital and Nomura as its joint financial advisers in connection with the Merger. Orient Capital and Nomura, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror for the satisfaction of the Offeror's obligations in respect of the full implementation of the Merger.

## 5. REASONS AND BENEFITS OF THE MERGER

The reasons and benefits of the Merger include:

**(1) Recent financial performance of the Group and the uncertainties faced by the Group's businesses**

The Group is principally engaged in the investment and operation of hotels, passenger transportation vehicles, logistics and travel agency businesses. The outbreak of the COVID-19 pandemic since the first quarter of 2020 has caused major social and economic impacts to the hotel and travel industry. It has also affected the Group's businesses. The Group's revenue has decreased from RMB20,977 million in 2019 to RMB14,201 million in 2020, representing a decrease of approximately 32.3%.

As mentioned in the Company's 2021 interim report, with the effective prevention and control of the pandemic in China, the domestic hotel market had seen a recovery in occupancy rates. However, uncertainties and volatilities exist in such recovery and the average occupancy rates for 2021 were still below the pre-pandemic levels. In addition, there have been cases of occasional regional COVID-19 outbreak in China and the number of new COVID-19 cases found in Europe, where the Group also operates, is still at a relative high level. These will continue to bring uncertainties to the Group's businesses in China and overseas.

Further, the mutation of the COVID-19 virus has rendered vaccines to be less effective, and with the travel restrictions and quarantine requirements continued to be in force, it is expected that the Group's businesses, in particular, the hotel, food and restaurants, and travel agency businesses of the Group will continue to be affected, as the demand for these businesses is highly correlated to leisure and business travels and it is uncertain when or how quickly the demand will recover.

The Offeror is of the view that the Merger would provide the H Shareholders an excellent opportunity to realise their investments in the Company at a premium and at a time when the market outlook of the Group is uncertain.

**(2) Share price performance and liquidity**

The price of the H Shares has underperformed its peers in recent years. In terms of price-to-earnings ratio ("PER") and price-to-book ("PB") ratio, the H Shares have been trading at a significant discount to most of its peers over the past three years.

In addition, the trading liquidity of the H Shares has also been relatively low for an extended period of time. The average daily turnover of the H Shares for the 12-month period up to and including the Last Full Trading Date was 1.83 million shares per trading day, representing only approximately 0.13% of the total issued H Shares as of the Last Full Trading Date.

The Offeror considers that the depressed share price and the low liquidity of the Shares makes it difficult for the H Shareholders to execute substantial on-market disposals without affecting the market price of the Shares, and believes that the Merger provides an excellent opportunity for the H Shareholders to dispose of their Shares at a compelling premium over the market price without having to suffer from any illiquidity discount and settlement risk.

**(3) Equity fund raising capability and cost of maintaining the listing status**

Since initial public offering of the H shares on the Stock Exchange in 2006, the Company has not raised any capital through equity issuance or public bond offerings. With the relatively low valuation level and sluggish trading volumes of the H shares as abovementioned, the ability for the Company to raise funds from the equity market without significant dilution is limited.

In addition, maintaining the listing status of the H Share requires the Group to incur administrative, compliance and other listing related costs and expenses. After the completion of the Merger, the H Shares will be delisted from the Stock Exchange, which may benefit the Company from savings in costs related to the compliance and maintenance of the listing status of the Company.

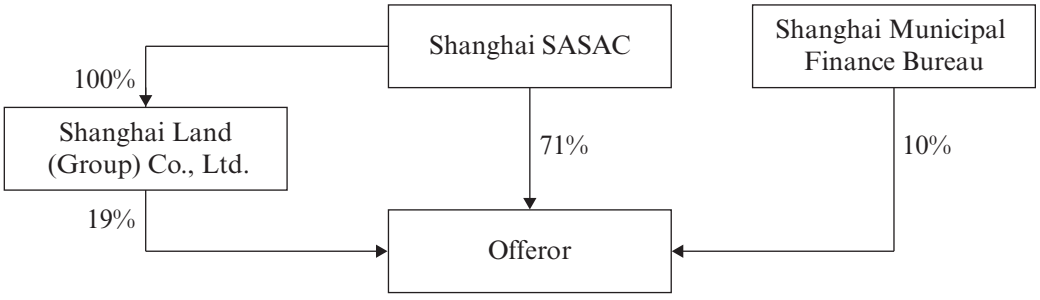
The Company's management will also be able to reallocate resources originally applied towards the Company's administration, compliance and other matters relating to its listing status towards the business operations.

The Board (other than members of the Independent Board Committee, whose views will be given after receiving the opinion of the Independent Financial Adviser) is of the view that the terms of the Merger are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## 6. INFORMATION ON THE OFFEROR AND THE COMPANY

### (1) Information on the Offeror

The Offeror is a company incorporated in the PRC with limited liability on 13 April 1991. The Offeror is owned as to 71% by Shanghai SASAC, 19% by Shanghai Land (Group) Co., Ltd. which is wholly-owned by Shanghai SASAC and 10% by Shanghai Municipal Finance Bureau. The Offeror is one of the largest hotel and tourism conglomerates in terms of scale in the PRC.




### (2) Information on the Company

The Company is a joint stock company with limited liability incorporated in the PRC. 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.

Set out below is the financial information of the Group as extracted from the audited annual report of the Company for the years ended 31 December 2019 and 2020 and the unaudited interim report of the Company for the six months ended 30 June 2021 prepared in accordance with Hong Kong Financial Reporting Standards.

| | **For the year ended 31 December 2019** *(RMB' 000)* (audited) (Restated) *(Note)* | **For the year ended 31 December 2020** *(RMB' 000)* (audited) | **For the six months ended 30 June 2021** *(RMB' 000)* (unaudited) |
|---|---|---|---|
| Total assets | 63,439,576 | 61,713,169 | 65,448,837 |
| Revenue | 20,977,074 | 14,201,062 | 7,580,502 |
| Profit for the year/period | 1,641,706 | 486,697 | 178,955 |

*Note:* As disclosed in the Company's annual report for the year ended 31 December 2020, certain amounts presented in the consolidated financial statements of the Group for the year ended 31 December 2019 were restated as a result of the acquisition of 100% equity interests in Shanghai Gaoxiao Taxi Company Limited by a subsidiary of the Company.

**(3) Shareholding in the Company**

As at the date of this joint announcement, the total issued shares of the Company are 5,566,000,000 Shares, which comprise 1,391,500,000 H Shares and 4,174,500,000 Domestic Shares.

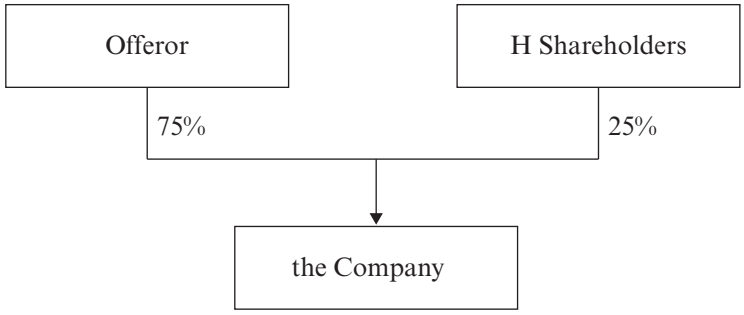
As disclosed in the Company's interim report for the six months ended 30 June 2021, as at 30 June 2021, Pacific Asset Management owns 264,700,000 H Shares of the Company, representing approximately 19.02% of the total issued H Shares and 4.76% of the total issued Shares. Pacific Asset Management is a non-wholly owned subsidiary of CPIC. Based on publicly available information, CPIC is in turn owned as to approximately 13.79% by Shenergy (Group) Co., Ltd., 5.70% by Shanghai State-Owned Assets Operation Co., Ltd. and 1.66% by Shanghai International Group Co., Ltd. (collectively, the "**Shanghai SASAC Shareholders**"). Each of the Shanghai SASAC Shareholders is wholly-owned by Shanghai SASAC. As Shanghai SASAC indirectly holds an aggregate of approximately 21.15% of CPIC through the Shanghai SASAC Shareholders, the Offeror is presumed to be acting in concert with CPIC under the class (1) presumption in the definition of "acting in concert" under the Takeovers Code. Save as disclosed above, so far as the Company is aware based on publicly available information, the other ultimate beneficial owners of the remaining approximately 78.85% interest in CPIC are third parties independent of Shanghai SASAC and its connected persons and are not acting in concert with Shanghai SASAC and the parties acting in concert with it.

In addition, CPIC is an insurance company and Pacific Asset Management is an insurance asset management company, both of which are established in the PRC and regulated by the CBIRC. CPIC and Pacific Asset Management are governed by and subject to a series of regulations, including (among others) the Interim Measures for the Administration of Overseas Investment with Insurance Funds (保險資金境外投資管理暫行辦法) and the relevant implementation rules, and the Administrative Measures for the Use of Insurance Funds (保險資金運用管理辦法) issued by the CBIRC. The investment in the Company's shares is an independent decision made by the investment committee of Pacific Asset Management.

The Offeror, Shanghai SASAC or their respective representatives or nominees on the one hand did not have any discussion or communication of any form with CPIC, its directors or their respective representatives or nominees on the other hand in the exercise of their respective voting rights in the Company in the past.

Based on (among others) the above factors, the Offeror is of the view that the Offeror is not acting in concert with CPIC. The Offeror will make an application to the Executive for the rebuttal of such presumption. The Offeror and the Company will issue a further announcement on the results of such application.

Based on the assumption that the SFC rules that the class (1) presumption under the definition of "acting in concert" between the Offeror and CPIC is rebutted: (i) Pacific Asset Management is entitled to vote on the resolutions in respect of the Merger at the H Shareholders' Class Meeting and the EGM; and (ii) set out below is the shareholding structure of the Company as at the date of this joint announcement:




*Notes:*

(1) The percentages in the diagram above are expressed as percentages of the total issued Shares of the Company.

(2) All of the Domestic Shares, representing 75% of the Company's total issued share capital, are directly held by the Offeror.

(3) None of the Directors of the Company holds any H Shares of the Company. Based on information publicly available to the Company and so far as the Directors of the Company are aware, at least 25% of the Company's total issued share capital was held by the public as at the date of this joint announcement.

(4) Orient Capital and Nomura are the joint financial advisers to the Offeror in respect of the Merger. Accordingly, Orient Capital, Nomura and relevant members of the Orient Capital group and Nomura group are presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code (except in respect of the Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and also excluding the Shares held on behalf of non-discretionary investment clients of the Orient Capital group and Nomura group). Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by other parts of the Orient Capital group and Nomura group, if any, will be obtained as soon as possible after the date of this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made if the holdings of, borrowings, lendings, or dealings by the other parts of the Orient Capital group and Nomura group are significant and in any event, such information will be disclosed in the Composite Document. Hence,

the statements in this joint announcement as to the holdings, borrowings or lendings of, or dealings in the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by the Offeror or any person acting in concert with it are subject to the holdings of, borrowings, lendings, or dealings (if any) by such members of the Orient Capital group and Nomura group. Any dealings in the relevant securities of the Company during the six months prior to the date of this joint announcement by the Orient Capital group and Nomura group will be disclosed in the Composite Document.

As at the date of this joint announcement, the Offeror owns all of the 4,174,500,000 Domestic Shares directly in the Company, representing 75% of the voting interests in the Company.

As at the date of this joint announcement, there are no outstanding options, warrants, convertible securities, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company.

**(4) Rights and interests in the securities of the Offeror and Shares and respective derivatives**

As at the date of this joint announcement:

(i) save as disclosed in paragraph headed "*Shareholding in the Company*" in this section above, there is no holding of voting rights and rights over Shares which the Offeror owns or over which the Offeror has control or direction;

(ii) save as disclosed in paragraph headed "*Shareholding in the Company*" in this section above, there is no holding of voting rights and rights over Shares which is owned or controlled or directed by any person acting in concert with the Offeror (except those which are exempt principal traders or exempt fund managers, in each case, recognised by the Executive as such for the purposes of the Takeovers Code and also excluding Shares held on behalf of non-discretionary investment clients of the Orient Capital group and Nomura group);

(iii) there is no holding of voting rights and rights over Shares in respect of which the Offeror or any person acting in concert with it has received an irrevocable commitment in relation to the voting of the resolutions in respect of the Merger;

(iv) there is no holding of voting rights and rights over Shares in respect of which the Offeror or any person acting in concert with it holds convertible securities, warrants or options of the Company;

(v) there is no outstanding derivative in respect of securities in the Company entered into by the Offeror or any person acting in concert with it (except those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code);

(vi) save for the Merger Agreement, the loan facility as part of the funding for the Merger and the transactions contemplated thereunder, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the securities of the Offeror or the Shares and which might be material to the Merger;

(vii) there is no agreement or arrangement (other than the Merger Agreement and the transactions contemplated thereunder) to which the Offeror is a party which relates to the circumstances in which the Offeror may or may not invoke or seek to invoke the Pre-Condition or Conditions; and

(viii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it (except in respect of the Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and also excluding the Shares held on behalf of non-discretionary investment clients of the Orient Capital group and Nomura group) has borrowed or lent.

As at the date of this joint announcement, there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) the Offeror or any person acting in concert with it or (b) the Company, its subsidiaries or associated companies.

## 7. BOARD APPROVAL, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board approved the Merger and its related matters at its board meeting on 21 November 2021.

The Board has established the Independent Board Committee, consisting of all of the independent non-executive Directors of the Company, being Mr. Ji Gang, Dr. Rui Mingjie and Mr. Shen Liqiang. Such committee will advise the Independent H Shareholders as to: (a) whether the terms of the Merger are fair and reasonable for the purpose of the Takeovers Code; and (b) whether to vote in favour of the Merger at the EGM and the H Shareholders' Class Meeting.

The Independent Financial Adviser will be appointed by the Company upon approval by the Independent Board Committee to provide advice to it in respect of the Merger. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser. The Independent Board Committee is evaluating the Merger and its views and recommendations will be set out in the Composite Document to be despatched to the H Shareholders.

## 8. PROPOSED WITHDRAWAL OF LISTING OF H SHARES

Upon satisfaction of the Pre-Condition and all the Conditions to effectiveness, the Company will apply to the Stock Exchange for voluntary withdrawal of the listing of the H Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

The Company will issue separate announcement(s) notifying H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in H Shares on the Stock Exchange as well as when the formal delisting of the H Shares will become effective.

The listing of the H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason.

## 9. EGM AND H SHAREHOLDERS' CLASS MEETING AND THE COMPOSITE DOCUMENT

The Company will convene the EGM and the H Shareholders' Class Meeting for the Shareholders and the H Shareholders respectively, to consider and, if thought fit, approve matters including the Merger. The Composite Document containing, amongst others, (i) further details of the Merger and the Merger Agreement and other matters in relation to the Merger; (ii) a letter of advice issued by the Independent Financial Adviser to the Independent Board Committee; and (iii) recommendations and advice from the Independent Board Committee, together with a notice of the EGM, a notice of the H Shareholders' Class Meeting and proxy form are expected to be despatched to H Shareholders subsequent to the satisfaction of the Pre-Condition. As additional time is required for the satisfaction of the Pre-Condition, the Offeror and the Company will apply to the Executive for an extension of time to despatch the Composite Document under Note 2 to Rule 8.2 of the Takeovers Code. Further announcement(s) will be made in respect of the despatch of the Composite Document if and when appropriate in accordance with the Takeovers Code.

## 10. INSIDE INFORMATION ANNOUNCEMENT PREVIOUSLY ISSUED ON THE RESULTS OF SUBSIDIARIES

Reference is made to the Results of Subsidiaries Announcement, which was published on 29 October 2021. With the publication of this joint announcement, information contained in the Results of Subsidiaries Announcement now constitutes a profit forecast under Rule 10 of the Takeovers Code, and is required to be reported on in accordance with Rule 10.3(d) of the Takeovers Code.

As the Results of Subsidiaries Announcement was published before the date of this joint announcement, the Company could not have complied with the reporting requirements as set out in Rule 10.3 of the Takeovers Code at the time of publication. As a result, the Results of Subsidiaries Announcement was published on 29 October 2021 without fully complying with the relevant requirements under Rule 10 of the Takeovers Code, including but not limited to the requirement for the profit forecast in the Results of Subsidiaries Announcement to be separately reported on by the Company's auditors or accountants and financial advisers.

The profit forecast as contained in the Results of Subsidiaries Announcement will be reported on in accordance with Rule 10 of the Takeovers Code as soon as practicable and the relevant reports will be set out in the next document to be sent to the Shareholders in relation to the Merger, unless the annual results of the Company or the audited financial statements of the relevant subsidiaries of the Company to which the Results of Subsidiaries Announcement relates for the year ending 31 December 2021 have been published prior to such next document to be sent to the Shareholders.

Shareholders and potential investors of the Company should note that the information contained in the Results of Subsidiaries Announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code.

Therefore, the information contained in the Results of Subsidiaries Announcement should not be relied upon as a forecast of any future profitability or other financial position of the Company. Shareholders and potential investors of the Company should therefore exercise caution when reading and interpreting the Results of Subsidiaries Announcement and when assessing the merits and demerits of the Merger and/or when dealing in the Shares and other securities of the Company.

## 11. RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities of the Offeror and the Company) of the Offeror and the Company are hereby reminded to disclose their dealings in any shares in the Offeror and the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*"Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK$1 million.*

*This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation."*

## 12. NUMBER OF RELEVANT SECURITIES IN ISSUE

As at the date of this joint announcement, the relevant securities of the Company in issue are 5,566,000,000 Shares, which comprise 1,391,500,000 H Shares and 4,174,500,000 Domestic Shares.

As at the date of this joint announcement, the relevant securities of the Offeror in issue are RMB2,000,000,000 in the registered capital of the Offeror, 71% of which are held by Shanghai SASAC, 19% are held by Shanghai Land (Group) Co., Ltd. and 10% are held by Shanghai Municipal Finance Bureau.

## 13. RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Stock Exchange was halted from 1:00 p.m. on 17 November 2021. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares from 9:00 a.m. on 25 November 2021.

## 14. WARNING

**The Pre-Condition and the Conditions to effectiveness must be satisfied before the Merger Agreement becoming effective. The Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to implementation set out in this joint announcement being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Conditions or Pre-Condition can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

## 15. DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

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| "Articles" | the articles of association of the Company (including the rules of procedures for shareholders' general meetings and the rules of procedures for board meetings); |
| "Board" | the board of directors of the Company; |
| "business day" | a day on which the Stock Exchange is open for the transaction of business; |
| "Cancellation Price" | the cancellation price of HK$3.10 per H Share payable in cash by the Offeror to the H Shareholders; |
| "CBIRC" | China Banking and Insurance Regulatory Commission; |
| "Company" | Shanghai Jin Jiang Capital Company Limited* (上海錦江資本股份有限公司), a joint stock company registered and established in the PRC, the 1,391,500,000 H Shares of which are listed on the Stock Exchange (stock code: 2006); |

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| "Composite Document" | the document to be issued by or on behalf of the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, among others, details of the Merger, as may be revised or supplemented as appropriate; |
| "Conditions" | has the meaning given to it in the section headed "*3. PRINCIPAL TERMS OF THE MERGER AGREEMENT*"; |
| "Conditions to effectiveness" | has the meaning given to it in the section headed "*3. PRINCIPAL TERMS OF THE MERGER AGREEMENT*"; |
| "Conditions to implementation" | has the *meaning given to it in the section headed "3. PRINCIPAL TERMS OF THE MERGER AGREEMENT";* |
| "Consenting Shareholders" | has the meaning given to it in the section headed "*3. PRINCIPAL TERMS OF THE MERGER AGREEMENT*"; |
| "CPIC" | China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A shares and H shares of which are listed on the Shanghai Stock Exchange (stock code: 601601) and the Stock Exchange (stock code: 2601), respectively; |
| "Declaration Period" | a period commencing on the Delisting Date and expiring on the fifth (5th) business day from (and including) the Delisting Date, during which any Dissenting Shareholder may declare to exercise its right; |
| "Delisting Date" | the date on which the listing of the Company on the Stock Exchange has been withdrawn; |
| "Director(s)" | the director(s) of the Company; |
| "Dissenting Shareholder" | a Shareholder who has validly voted against the resolutions in respect of the Merger at the EGM and (if applicable) the H Shareholders' Class Meeting and has requested the Company or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) to acquire its Shares at a "fair price"; |
| "Domestic Share(s)" | the domestic shares of the Company, with a RMB denominated par value of RMB1.00 each, representing 75% of the issued share capital of the Company as at the date of this joint announcement; |

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| "Domestic Shareholder" | the holder of Domestic Shares, namely the Offeror; |
| "EGM" | the extraordinary general meeting of the Company to be convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements; |
| "Exchange Rate" | the exchange rate of HK$1: RMB0.82001, which is the central parity rate of RMB to Hong Kong Dollar as at the date of this joint announcement as announced by the People's Bank of China; |
| "Executive" | the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director; |
| "Exercise Date" | the date on which the Company and/or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) pays cash consideration to Dissenting Shareholders who exercise their right to acquire the Shares held and effectively declared by them at "fair price", which will be decided and announced by the Company; |
| "Group" | the Company and its subsidiaries; |
| "H Share(s)" | the ordinary shares issued by the Company, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in Hong Kong dollars and are listed and traded on the Stock Exchange, representing 25% of the issued share capital of the Company as at the date of this joint announcement; |
| "H Shareholder(s)" | the holder(s) of H Shares; |
| "H Shareholders' Class Meeting" | the class meeting of the Company to be convened for H Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements; |
| "HK$" or "Hong Kong Dollar" | Hong Kong dollars, the lawful currency of Hong Kong; |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China; |

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| "Independent Board Committee" | the independent board committee of the Company established by the Company for the purposes of considering the Merger, which comprises all of the independent non-executive Directors of the Company, being Mr. Ji Gang, Dr. Rui Mingjie and Mr. Shen Liqiang; |
| "Independent Financial Adviser" | the independent financial adviser to be appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent H Shareholders in respect of (among others) the Merger; |
| "Independent H Shareholders" | the H Shareholders other than the Offeror and parties acting in concert with it; |
| "Jin Shao HK" | Shanghai Jin Shao (HK) Investment & Management Co., Limited (上海錦韶(香港)投資管理有限公司), a private company limited by shares incorporated in Hong Kong, a wholly-owned subsidiary of the Offeror; |
| "Last Full Trading Date" | 16 November 2021, the last full trading day prior to the halt of trading in the H Shares on the Stock Exchange pending the issue of this joint announcement; |
| "Last Trading Date" | 17 November 2021, the last trading day prior to the halt of trading in the H Shares on the Stock Exchange pending the issue of this joint announcement; |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| "Long-stop Date" | 23 November 2022, being the last date the Pre-Condition, the Conditions to effectiveness and the Conditions to implementation can be satisfied, unless the Offeror and the Company otherwise agree, subject to the consent of the SFC; |
| "Merger" | the proposed merger by absorption of the Company by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws as contemplated under the Merger Agreement; |
| "Merger Agreement" | the merger agreement entered into between the Offeror and the Company on 24 November 2021 in relation to the Merger; |

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| "Nomura" | Nomura International (Hong Kong) Limited, the financial adviser to the Offeror. Nomura is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities; |
| "Offer Period" | has the meaning ascribed to it under the Takeovers Code, being the period commencing on 24 November 2021 (the date of this joint announcement) and ending on the Delisting Date or the date on which the Merger is not approved or otherwise lapses, whichever is earlier; |
| "Offeror" | Jin Jiang International Holding Company Limited (錦江國際(集團)有限公司), a company incorporated in the PRC with limited liability, the controlling Shareholder interested in 75% of the issued share capital of the Company as at the date of this joint announcement; |
| "Orient Capital" | Orient Capital (Hong Kong) Limited, the financial adviser to the Offeror. Orient Capital is a subsidiary of Orient Securities International Financial Group Limited and a licensed corporation under the SFO, licensed to carry out Type 6 (advising on corporate finance) regulated activities; |
| "Pacific Asset Management" | Pacific Asset Management Co., Ltd. (太平洋資產管理有限責任公司), a company incorporated in the PRC with limited liability, a non-wholly owned subsidiary of CPIC; |
| "PRC" or "China" | the People's Republic of China; |
| "PRC Company Law" | the Company Law of the PRC, as amended, supplemented or otherwise modified from time to time; |
| "PRC Laws" | any and all laws, regulations, statutes, rules, decrees, notices, and supreme court's judicial interpretations as may be in force and publicly available in the PRC from time to time; |
| "Pre-Condition" | has the meaning given to it in the section headed "*3. PRINCIPAL TERMS OF THE MERGER AGREEMENT*"; |

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| "Results of Subsidiaries Announcement" | the announcement of the Company dated 29 October 2021 pursuant to Part XIVA of the SFO and Rule 13.09 of the Listing Rules in relation to the unaudited profits for the period ended 30 September 2021 of the following subsidiaries of the Company listed on the Shanghai Stock Exchange:<br><br>a) Shanghai Jin Jiang International Hotels Company Limited (上海錦江國際酒店股份有限公司) (Shanghai Stock Exchange Stock Code: 600754/900934);<br><br>b) Shanghai Jin Jiang Online Network Service Company Limited (上海錦江在線網絡服務股份有限公司) (Shanghai Stock Exchange Stock Code: 600650/900914); and<br><br>c) Shanghai Jin Jiang International Travel Co., Ltd. (上海錦江國際旅遊股份有限公司) (Shanghai Stock Exchange Stock Code: 900929); |
| "RMB" | Renminbi, the lawful currency of the PRC; |
| "SFC" | the Securities and Futures Commission of Hong Kong; |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as revised, supplemented or otherwise modified from time to time); |
| "Shanghai SASAC" | Shanghai Municipal State-owned Assets Supervision and Administration Commission; |
| "Shareholders" | H Shareholders and Domestic Shareholder; |
| "Shares" | collectively, H Shares and Domestic Shares; |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited; |
| "Takeovers Code" | The Codes on Takeovers and Mergers and Share Buy-backs published by the SFC (as revised, supplemented or otherwise modified from time to time); |
| "trading day" | a day on which the Stock Exchange is open for dealing or trading in securities; |

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| "United States" or "U.S." | the United States of America, its territories and possessions, any State of the United States and the District of Columbia; |
| "U.S. Exchange Act" | the U.S. Securities Exchange Act of 1934, as amended; |
| "%" | per cent. |

**Jin Jiang International Holding Company Limited**

**Shanghai Jin Jiang Capital Company Limited***

Shanghai, China
24 November 2021

*As at the date of this joint announcement, the Offeror's directors are Mr. Zhao Qi, Ms. Guo Lijuan, Ms. Zan Lin, Mr. Shao Zhengping, Mr. Wang Qiang and Mr. Liu Hongzhong. The directors of the Offeror jointly and severally accepts full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.*

*As at the date of this joint announcement, the executive Directors of the Company are Mr. Zhao Qi, 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 Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.*

* *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**".*