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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)

RIGHTS OVER EXCLUDED HOTEL BUSINESSES AND NEW UNION

The Board is pleased to announce that, in accordance with the arrangements disclosed in the Prospectus, the INEDs held a meeting to consider whether to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International Group.

The INEDs present at the meeting decided not to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International Group at this stage.

In accordance with the arrangements disclosed in the Prospectus, the INEDs held the first independent board committee meeting for 2022 on 29 March 2022 to review the proposal in respect of the latest situation of the Excluded Hotel Businesses and New Union as at the end of the fourth quarter of 2021 and the financial statements of the relevant Excluded Hotel Businesses and New Union, and to consider whether to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International Group.

Having considered the proposal and relevant financial statements presented by the Company, the INEDs present at the meeting decided not to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International Group at this stage for reasons detailed below:

EASTERN JIN JIANG:

As notified by Jin Jiang International Group in writing, Eastern Jin Jiang has been converted into a limited liability company and has obtained the business licence of a limited liability company. The respective capital contributions of the shareholders of Eastern Jin Jiang have been ascertained upon its conversion into a limited liability company. As at the date of this announcement, Jin Jiang International Group has transferred its 90% equity interests in Eastern Jin Jiang to its wholly-owned subsidiary, Jin Jiang International Investment.

For the purpose of achieving efficient management in a streamlined approach, the business segments have been separated. Eastern Jin Jiang was divided into two limited liability companies, namely Eastern Jin Jiang and Shanghai Jinyang, by injecting assets of east building to Shanghai Jinyang from Eastern Jin Jiang in November 2018. Currently, Jin Jiang International Investment holds 90% equity interests in Eastern Jin Jiang, while Jin Jiang International Group holds 90% equity interests in Shanghai Jinyang. Jin Jiang International Investment and Jin Jiang International Group are in a position to transfer their interests as aforesaid to the Company. It is the Company's decision whether to exercise its Right to purchase Jin Jiang International Investment's 90% direct and indirect equity interests in Eastern Jin Jiang and Shanghai Jinyang.

In accordance with the relevant arrangements disclosed in the Prospectus, an internationally recognized independent valuer will be jointly appointed by the Company and Jin Jiang International Group to issue a valuation report that would determine the consideration for the purchase of the 90% equity interests in Eastern Jin Jiang and Shanghai Jinyang. In accordance with the relevant PRC laws, Jin Jiang International Group will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after considering all factors, on whether to exercise its Right to purchase 90% equity interests in Eastern Jin Jiang and Shanghai Jinyang. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

PACIFIC SHANGHAI:

As Jin Jiang International Investment has transferred its 70% equity interests in Pacific Shanghai to Shanghai Hongqiao Economic & Technological Development Zone United Development Co., Ltd., Jin Jiang International Investment ceases to hold 70% equity interests in Pacific Shanghai as at the date of this announcement. Jin Jiang International Group issued a letter of invitation to business opportunity to the Company on 18

October 2021 in respect of Jin Jiang International Investment's transfer of its 70% equity interests in Pacific Shanghai. Pursuant to the resolution of the fourth meeting of 2021 of the independent directors' committee, the Company decided not to accept the aforesaid business opportunity.

GARDEN HOTEL:

As at the date of this announcement, Jin Jiang International Investment holds 100% equity interests in Garden Hotel. In accordance with the relevant arrangements disclosed in the Prospectus, an internationally recognized independent valuer will be jointly appointed by the Company and Jin Jiang International Group to issue a valuation report that would determine the consideration for the purchase of the 100% equity interests in Garden Hotel. In accordance with the relevant PRC laws, Jin Jiang International Investment will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after considering all factors, on whether to exercise its Right to purchase Jin Jiang International Investment's 100% equity interests in Garden Hotel. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

JIAOZHOU ROAD INN:

Legal and valid land use right certificates and building ownership certificates for the land and buildings being used by Jiaozhou Road Inn have not yet been obtained. Therefore, the Company is legally unable to exercise the relevant Right. The Company will make further announcement(s) in respect of Jiaozhou Road Inn as and when appropriate.

NEW UNION:

The development project of New Union has received all necessary operational licenses. In accordance with the relevant arrangements disclosed in the Prospectus, the Company and Jin Jiang International Group will engage an internationally recognized independent valuer to issue a valuation report that will determine the consideration for the purchase of the equity interests in New Union. In accordance with the relevant PRC laws, Jin Jiang International Group will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after considering all factors, on whether to exercise its Right to purchase Jin Jiang International Group's equity interests in New Union. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors.
“Company”	上海錦江資本股份有限公司 (Shanghai Jin Jiang Capital Company Limited*), 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 of Hong Kong Limited.
“Deed of Non-Competition”	the deed of non-competition dated 20 November 2006 entered into between the Company and Jin Jiang International Group.
“Directors”	the directors of the Company.
“Eastern Jin Jiang”	上海東錦江大酒店有限公司 (Shanghai Eastern Jin Jiang Hotel Company Limited).
“Excluded Hotel Businesses”	Eastern Jin Jiang, Shanghai Jinyang, Pacific Shanghai, Garden Hotel and Jiaozhou Road Inn.
“Garden Hotel”	上海錦江花園飯店有限公司 (Shanghai Jin Jiang Garden Hotel Company Limited) (formerly known as 花園飯店(上海) (Garden Hotel Shanghai)).
“INEDs”	the independent non-executive Directors.
“Jiaozhou Road Inn”	上海食品集團酒店管理有限公司膠州度假旅館 (Jiaozhou Road Inn of Shanghai Foods Group Hotel Management Company Limited).
“Jin Jiang International Group”	錦江國際(集團)有限公司 (Jin Jiang International Holdings Company Limited), the controlling shareholder of the Company.
“Jin Jiang International Investment”	上海錦江國際投資管理有限公司 (Shanghai Jin Jiang International Investment and Management Company Limited), a wholly-owned subsidiary of Jin Jiang International Group.
“New Union”	上海新聯誼大廈有限公司 (Shanghai New Union Building Co., Ltd.).

“Pacific Shanghai”	上海太平洋大飯店有限公司 (Pacific Shanghai Hotel Company Limited).
“PRC”	the People’s Republic of China.
“Prospectus”	the prospectus of the Company dated 30 November 2006.
“Right(s)”	the rights under the Deed of Non-Competition granted to the Company by Jin Jiang International Group to purchase, or in the case of Jiaozhou Road Inn, to purchase or lease, all (but not part only, unless otherwise agreed by Jin Jiang International Group) of the direct and indirect equity interests of Jin Jiang International Group or its subsidiaries in the Excluded Hotel Businesses and New Union.
“Shanghai Jinyang”	上海錦楊企業管理有限公司 (Shanghai Jinyang Enterprise Management Company Limited).

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

Shanghai, the PRC, 29 March 2022

As at the date of this announcement, the executive Directors are Mr. Zhao Qi, 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**”.*