

## Statement by the Independent Committee of the Board of Directors of Radisson in relation to the increased mandatory public offer from the consortium led by Jin Jiang International Holdings Co., Ltd., including SINO-CEE Fund, through Aplite Holdings AB

January 14, 2019

 [Fairness Opinion](#)

## Statement by the Independent Committee of the Board of Directors of Radisson in relation to the increased mandatory public offer from the consortium led by Jin Jiang International Holdings Co., Ltd., including SINO-CEE Fund, through Aplite Holdings AB

*The Independent Committee of Radisson recommends the shareholders of Radisson not to accept the increased mandatory public offer made by the Consortium.*

This statement is made by the independent committee<sup>[1]</sup> (the “**Independent Committee**”) of the Board of Directors of Radisson Hospitality AB (publ) (the “**Company**” or “**Radisson**”) pursuant to section II.19 of Nasdaq Stockholm’s Takeover Rules (the “**Takeover Rules**”).

### Background

On 13 November 2018, a consortium led by Jin Jiang International Holdings Co., Ltd., including SINO-CEE Fund, through the joint acquisition vehicle Aplite Holdings AB (the “**Consortium**”), announced that it had completed the acquisition of 87,552,187 shares in the Company from Radisson Hospitality Inc., corresponding to approximately 50.21 percent of the shares and votes in the Company. The completion of the acquisition triggered an obligation for the Consortium to launch a mandatory public offer for the remaining outstanding shares in the Company.

On 11 December 2018, the Consortium announced a mandatory public offer to the shareholders of the Company to acquire the remaining outstanding shares in the Company for a consideration of SEK 40 in cash per share (the “**Initial Offer**”). In the Consortium’s press release announcing the Initial Offer, the Consortium further stated that the Consortium also has entered into an agreement with HNA Sweden Hospitality Management AB, an indirectly wholly-owned subsidiary of the former majority owner HNA Tourism Group Co. Ltd. (“**HNA**”), to acquire up to an additional approximately 18.16 percent of the shares and votes in the Company.

On 2 January 2019, the Independent Committee recommended the Company’s shareholders not to accept the Initial Offer, at the same time pointing the shareholders towards certain factors that should be considered when assessing the merits of the Initial Offer.

On 4 January 2019, the Consortium announced an increase of the consideration in its mandatory public offer by SEK 2.50 to a total of SEK 42.50 in cash per share (the “**Increased Offer**”) and the publication of the offer document (the “**Offer Document**”). If the Company pays any dividend or makes any other value transfer to the shareholders, for which the record date occurs prior to the settlement of the consideration in the Increased Offer, the consideration will be reduced accordingly. The acceptance period of the Increased Offer commenced on 7 January and will expire on 4 February 2019. There are no conditions for the completion of the Increased Offer.

The Independent Committee notes that the Consortium, when announcing the Increased Offer, also stated

that no further increases of the consideration will be made, that the consideration in the Increased Offer at SEK 42.50 per share thus is final and that the acceptance period in the Increased Offer will not be extended.

The Consortium also stated that, pursuant to the Takeover Rules<sup>[2]</sup>, the Consortium is bound by its statements and hence cannot further increase the consideration or extend the acceptance period in the Increased Offer.

Please refer to the Consortium's website for further details of the Initial Offer and the Increased Offer, the Offer Document and the acceptance form, [www.radissonoffer.com](http://www.radissonoffer.com).

The Independent Committee has engaged Benedetto, Gartland & Company as financial advisor and Gernandt & Danielsson Advokatbyrå as legal advisor. Rothschild & Co has been engaged to provide a so-called fairness opinion in relation to the proposed increased cash consideration offered to the shareholders of the Company pursuant to the terms of the Increased Offer.

### **The Independent Committee's evaluation of the Increased Offer**

The Independent Committee has evaluated the Increased Offer in accordance with the provisions of the Takeover Rules.

The Independent Committee's opinion of the Increased Offer is based on an overall assessment of a number of factors that the Independent Committee has considered relevant to the evaluation of the Increased Offer. These factors include, but are not limited to, the Company's present strategic and financial position, the Company's expected potential future development and thereto related opportunities and risks.

### **The Independent Committee recommends the Company's shareholders not to accept the Increased Offer.**

The position of the Independent Committee is supported by the fairness opinion provided by Rothschild & Co. The fairness opinion, which is set forth in the appendix to this statement, concludes that the proposed cash consideration offered to the shareholders of the Company pursuant to the terms of the Increased Offer is not fair from a financial point of view.

When shareholders are assessing the merits of the Increased Offer and whether or not to accept the Increased Offer, the Independent Committee however also wants to point the shareholders towards certain factors that should be considered.

The Independent Committee's evaluation of, and conclusions in relation to, the Increased Offer is, among other things, based on the Company's 5-Year Operating Plan and that it continues to be implemented and executed without significant delays and/or underachievement.

In the press release announcing the Initial Offer, the Consortium made a statement of support (quoted in full in footnote 4 below) for the implementation of the Company's 5-Year Operating Plan. In the Offer Document, the Consortium changed the wording of the statement (quoted in full in the section "*Statement pursuant to the Takeover Rules regarding the Increased Offers' impact on the Company and its employees*" below). Shareholders should review the revised wording carefully. The Independent Committee does not have sufficient information regarding the Consortium's strategic plans for the Company to fully analyse the Increased Offer's consequences for the Company and its shareholders. The Independent Committee does however not have any reason to doubt the veracity of the statements by the Consortium, nor does it have any reason to believe that the Consortium would pursue an alternative approach to managing the Company inferior to the Company's 5-Year Operating Plan.

As set out in the Independent Committee's statement, dated 2 January 2019, in relation to the Initial Offer, the Independent Committee notes that, as a result of the mandatory offer, the liquidity of the Radisson share may be further reduced and the ownership structure may become more concentrated. Further reduced liquidity and more concentrated ownership could result in adverse consequences for the Company's long-term minority shareholders, such as a potential share price decrease below the price in the Increased Offer after the expiry of the acceptance period.

It is also noted that the Increased Offer represents a premium of:

- approximately 47.8 percent compared to the closing price of SEK 28.75 per Radisson share on Nasdaq Stockholm on 29 June 2018, being the last trading day prior to media speculation with regards to the potential sale of HNA's shares in Radisson, and
- approximately 16.4 percent compared to the closing price of SEK 36.50 per Radisson share on Nasdaq Stockholm on 10 December 2018, being the last trading day prior to the announcement of the Initial Offer.<sup>[3]</sup>

Against the above background, the Independent Committee notes that the Increased Offer could be an attractive opportunity for shareholders looking for immediate liquidity.

The Independent Committee would also like to repeat what is set out above regarding that the Consortium, by its statements made when announcing the Increased Offer, pursuant to the Takeover Rules, is prohibited from further increasing the offer consideration and to extend the acceptance period in the Increased Offer.

### **Statement pursuant to the Takeover Rules regarding the Increased Offers' impact on the Company and its employees**

Under the Takeover Rules, the Independent Committee must, based on the content of the press release or Offer Document issued by the Consortium, present its opinion regarding the impact that implementation of the Increased Offer will have on the Company, particularly in terms of employment, and its opinion regarding the Consortium's strategic plans for the Company and the effects it is anticipated that such plans will have on employment and on the locations where the Company conducts its operations.

The Independent Committee would like to draw the shareholders' attention to that the relevant statement in the Offer Document, quoted in full below, has changed compared to what was set out in the press release announcing the Initial Offer<sup>[4]</sup>.

The Consortium has in the Offer Document stated that:

*"Aplite<sup>[5]</sup> intends to further develop Radisson AB's operation and to support Radisson AB's management in developing the operations on its own in line with the Company's current strategy. Following a thorough analysis, Aplite will after completion of the Offer evaluate Radisson AB's operations in order to conclude how Radisson AB is best developed further. As of the date of the Offer Document, and prior to completion of the Offer, no decision has been made with regard to Aplite's or Radisson AB's employees or management or the current organisation and operation, including terms of employment or the locations where Aplite and Radisson AB carries out its operations."<sup>[6]</sup>*

The Independent Committee has no information regarding why the Consortium has introduced the new statement in the Offer Document, but notes that the new statement by the Consortium does not provide the Independent Committee with enough information to be able to further evaluate the statement and present its own opinion. However, the Independent Committee assumes that the statement correctly reflects the matters

that the Consortium is obligated to opine on under the Takeover Rules and the Swedish Financial Instruments Trading Act.

\* \* \*

This statement by the Independent Committee shall in all respects be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts. This statement has been published in English and Swedish. In the event of any discrepancy in content between the two language versions, the English version shall prevail.

\* \* \*

Stockholm, 14 January 2019  
**Radisson Hospitality AB (publ)**  
*The Independent Committee*

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*This is information that Radisson Hospitality AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Takeover Rules. The information was submitted for publication, through the agency of the contact persons set out above, at 7.30 CET on 14 January 2019.*

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[1] The Independent Committee consists of all members of the Board of Directors that are not dependent in relation to a Consortium member, hence the Independent Committee consist of Andreas Schmid (chair), Lo Kin Ching, Wolfgang M. Neumann, Thomas Staehelin, Göran Larsson and Ulf Petersson. The Independent Committee has been formed to evaluate the mandatory public offer by the Consortium and to handle and resolve on all matters relating to the mandatory public offer. The members of the Board of Directors Ma Mingju, Chen Jin and Zhu Qian have, in their capacity as representatives of the Consortium, decided not to participate in the processing or decision-making of questions related to the mandatory public offer.

[2] Pursuant to Rule II.2 of the Takeover Rules.

[3] Refer to page 2 of the Consortium's press release, dated 4 January 2019.

[4] On page 3 of the Consortium's press release, dated 11 December 2018, it is set out that " *The Consortium is going to support Radisson AB's management in developing the operations on its own in line with the Company's current strategy. The Consortium does not foresee any significant changes or adverse effects from the completion of the Offer for Radisson AB's organisation, employees, including the terms of their employment, or the locations where Radisson AB carries out its operations.*"

[5] Aplite Holdings AB is the Consortium's joint acquisition vehicle.

[6] Refer to page 6 of the Offer Document.