

# NH Hotels Signs Agreement with Chinese HNA Group



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NH Hotels has signed a major strategic agreement with the Chinese HNA group which strengthens the financial solvency of NH Hotels and consolidates the company's process of internationalisation.

At a meeting the Board of Directors of NH Hotels decided to recommend the entrance of HNA Group as a new shareholder of the Company. The Chinese group will acquire a 20% holding in NH Hotels and will have two members on the Company's Board of Directors. The transaction, totalling €431.6M, involves making a capital increase, excluding the right of first refusal, at a price of €7 per share, which represents a significant premium to the current market price and to the average share price for the last quarter. HNA Group will thus become the second largest shareholder in the Spanish company. The agreement is subject to approval by the Chinese regulatory authorities and that two directors of HNA Group become members of the NH Hotels Board of Directors.

HNA Group and NH Hotels will also contemplate setting up a hotel management company in China to carry on the four-star hotel sector, which is where NH Hotels focuses its strategic business. The joint venture complements NH Hotels' current strategy of growing using low-risk strategies, such as management of third-party owned hotels. Moreover, it helps the hotel chain to enter one of the fastest growing markets in the world, working in partnership with a local group that is a major player in the Chinese market.

The agreement envisages bringing into a new joint venture the management of several existing HNA hotels that fit the NH Hotels brand image and segment. The joint venture will benefit from the management, loyalty and booking systems of NH Hotels, and use the NH Hotels brand name in China

and would be supported by the knowledge and ability to gain local access of HNA Group in identifying the best locations for hotels, local management teams and general logistics of the group in the Chinese market.

NH Hotels chairman, Mariano Pérez Claver, said: "I would like to emphasise the great commercial value, which strengthens the balance sheet of the group and at the same time stands for a far-reaching strategic step for NH Hotels. The alliance we are now arranging means that our company will have the opportunity to enter a market which has huge potential, China, and where there is a clear opportunity available for NH, working with a major, dynamic, powerful, prestigious business group which will, furthermore, become a major shareholder of NH. As a result, NH Hotels interests in China will be fully aligned with those of HNA".

Adam Tan, executive director of HNA Group, added: "HNA Group is honoured to join with the NH Hotels' shareholders and board members to support NH Hotels' management team as they continue to grow their world-class company into a truly world-wide company by developing operations in what will be the largest hotel market in the world".

**About NH Hotels:**

NH Hotels ranks third among European business hotels. The Company operates 400 hotels, including [hotels in Amsterdam](#) and [hotels in Brussels](#), with around 60,000 rooms in 25 countries, and is a leader in Europe (36% of the rooms portfolio located in Spain, 18% in Germany, 14% in Italy and 11% in The Netherlands among others), as well as being present in America and Africa. NH Hotels has at present 22 new projects for hotels under construction, which will provide 3,000 new rooms. NH Hotels is listed on the Stock Exchange of Madrid.

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