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Jinmao Hotel

金茂酒店

(As constituted pursuant to a deed of trust on 13 June 2014 under the laws of Hong Kong, the trustee of which is Jinmao (China) Investments Manager Limited)

and

Jinmao (China) Hotel Investments and Management Limited

金茂（中國）酒店投資管理有限公司

(Registered in the Cayman Islands with limited liability)

(Stock Code: 06139)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE FRAMEWORK CHINA JINMAO PROPERTY
MANAGEMENT SERVICES AGREEMENT**

On 21 December 2018, the Company entered into the Framework China Jinmao Property Management Services Agreement with China Jinmao, pursuant to which the Company agreed to provide the Property Management Services to members of the China Jinmao Group for the period from 1 January 2019 to 31 December 2021.

China Jinmao is the controlling holder of the Share Stapled Units, and is therefore a connected person of the Company under the Listing Rules.

As the transactions under the Framework China Jinmao Property Management Services Agreement and the Other Sinochem Property Management Services Agreements are in connection with the provision of property management services to members of the Sinochem Conglomerate, the Directors consider that these agreements are related and shall be aggregated pursuant to Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios in respect of the aggregate amount of the transactions under the Framework China Jinmao Property Management Services Agreement and the Other Sinochem Property Management Services Agreements is more than 0.1% but less than 5%, the transactions under the Framework China Jinmao Property Management Services Agreement are only subject to the announcement and reporting requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 21 December 2018, the Company entered into the Framework China Jinmao Property Management Services Agreement with China Jinmao, pursuant to which the Company agreed to provide the Property Management Services to members of the China Jinmao Group for the period from 1 January 2019 to 31 December 2021.

THE FRAMEWORK CHINA JINMAO PROPERTY MANAGEMENT SERVICES AGREEMENT

The principal terms of the Framework China Jinmao Property Management Services Agreement are as follows:

Date: 21 December 2018

Parties: (a) the Company; and
(b) China Jinmao.

Subject matter: The Company has agreed to provide certain property management services (the “**Property Management Services**”), which mainly include (i) comprehensive property management services for common areas and public facilities under the relevant projects of China Jinmao, (ii) property management consultancy services for the relevant projects of China Jinmao, and (iii) other services for certain non-common areas as requested by China Jinmao under special arrangement, including order maintenance, cleaning, greening, purchase of supplies, monitoring and maintenance of construction and renovation, hosting of facilities and equipment, intermediary services and contracting services.

Under the Framework China Jinmao Property Management Services Agreement, members of the Group and members of the China Jinmao Group will from time to time renew and enter into separate agreements in relation to the provision of the Property Management Services for the relevant property owned by members of the China Jinmao Group (the “**China Jinmao Property Management Services Agreement**”). The duration of each property management services agreement shall not exceed the term of three years. The Framework China Jinmao Property Management Services Agreement is a master framework property management services agreement to supplement the China Jinmao Property Management Services Agreements for these continuing connected transactions such that the terms shall be on commercial terms and will regulate all existing and future China Jinmao Property Management Services Agreements.

The transactions under the Framework China Jinmao Property Management Services Agreement are in the ordinary and usual course of business of the Group.

Term: From 1 January 2019 to 31 December 2021.

Proposed cap and pricing basis: The caps of the maximum aggregate amounts payable under the Framework China Jinmao Property Management Services Agreement are set out below:

	From 1 January 2019 to 31 December 2019	From 1 January 2020 to 31 December 2020	From 1 January 2021 to 31 December 2021
Annual caps	RMB12.60 million	RMB14.49 million	RMB16.67 million

For the six months ended 30 June 2018, the actual amounts paid to members of the Group by members of Sinochem Conglomerate in relation to provision of property management services amounted to RMB5.70 million.

The annual caps in respect of the Framework China Jinmao Property Management Services Agreement are determined after arm's length negotiations and on terms no more favourable than those offered by the Company to other independent third parties and are estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the customised Property Management Services by China Jinmao; and (iii) the prevailing market prices for relevant customised property management services. When deciding the market rates for providing the property management services, the management of the Company will, to the extent practicable, take into account the rates of at least two similar and comparable quotes provided to independent third parties for reference or obtain quotations from at least two independent third parties for providing similar property management services.

For the avoidance of doubt, the annual cap of the North Bund J-Life Property Management Services Agreement for the year ending 31 December 2019 has been considered and included in the 2019 annual cap of the Framework China Jinmao Property Management Services Agreement.

INFORMATION IN RELATION TO THE GROUP AND CHINA JINMAO

The Group

Jinmao Hotel is a fixed single investment trust with an initial focus on the hospitality industry in the PRC. The Group primarily owns and invests in a portfolio of hotels with diversified revenue sources and customer mix from a portfolio of high quality hotels and commercial properties, comprising eight hotels and Jin Mao Tower, a mixed-use development. The properties are all located in prime, strategic locations in top-tier cities or tourist hot spots in the PRC and comprise high quality hotels and commercial property.

China Jinmao

China Jinmao is the controlling holder of the Share Stapled Units of the Company, and is therefore a connected person of the Company under the Listing Rules. It is a large-scale developer and operator of quality real estate projects in the PRC, and is principally engaged in the development, sale, leasing and management of commercial and residential properties and hotel operations.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK CHINA JINMAO PROPERTY MANAGEMENT SERVICES AGREEMENT

The Directors believe that the Framework China Jinmao Property Management Services Agreement is consistent with the businesses and commercial objectives of the Company and that the transactions to be carried out under the Framework China Jinmao Property Management Services Agreement will enable the Company to diversify its revenue sources, to consolidate the property portfolio it manages, and to attract new customers for its property management services business in the PRC.

LISTING RULES IMPLICATIONS

China Jinmao is the controlling holder of the Share Stapled Units, and is therefore a connected person of the Company under the Listing Rules.

As the transactions under the Framework China Jinmao Property Management Services Agreement and the Other Sinochem Property Management Services Agreements are in connection with the provision of property management services to members of the Sinochem Conglomerate, the Directors consider that these agreements are related and shall be aggregated pursuant to Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios in respect of the aggregate amount of the transactions under the Framework China Jinmao Property Management Services Agreement and the Other Sinochem Property Management Services Agreements is more than 0.1% but less than 5%, the transactions under the Framework China Jinmao Property Management Services Agreement are only subject to the announcement and reporting requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Directors (including the independent non-executive Directors) consider that the transactions under the Framework China Jinmao Property Management Services Agreement are in the ordinary and usual course of the business of the Group, the terms of the Framework China Jinmao Property Management Services Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the holders of the Share Stapled Units as a whole.

Mr. Li Congrui, Mr. Zhang Hui and Mr. Jiang Nan had declared their interests in the transactions under the Framework China Jinmao Property Management Services Agreement by virtue of their relationship with China Jinmao, and each of them had abstained from voting on the resolutions of the respective Boards with respect to the Framework China Jinmao Property Management Services Agreement. Save as disclosed above, none of any other Directors has abstained from voting on the resolutions of the respective Boards approving the transactions under the Framework China Jinmao Property Management Services Agreement.

DEFINITIONS

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

“affiliate”	has the meaning under the Listing Rules
“Boards”	the boards of directors of the Trustee-Manager and the Company
“China Jinmao”	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司), a company incorporated in Hong Kong with limited liability on 2 June 2004 whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00817) and a controlling holder of the Share Stapled Units, and therefore a connected person of the Company
“China Jinmao Property Management Services Agreements”	as defined in section headed “The Framework China Jinmao Property Management Services Agreement” of this announcement
“China Jinmao Group”	China Jinmao and its subsidiaries and affiliates (excluding the Trust Group)
“Company”	Jinmao (China) Hotel Investments and Management Limited (金茂(中國)酒店投資管理有限公司), a company incorporated in the Cayman Islands
“Directors”	the directors of the Company and the Trustee-Manager
“Framework China Jinmao Property Management Services Agreement”	the framework management services agreement between the Company and China Jinmao dated 21 December 2018 in relation to the provision of the Property Management Services to members of the China Jinmao Group
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinmao Hotel”	Jinmao Hotel (金茂酒店), as constituted pursuant to the Trust Deed
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“North Bund J-Life Property Management Services Agreement”	the property management services agreement dated 31 October 2018 in relation to the western area of Shanghai North Bund J-Life between Shanghai Property Management and Shanghai Yinhu

“Other Sinochem Property Management Services Agreements”	comprising the property management services agreements entered into between Shanghai Property Management and Shanghai Dehuan Property Co., Ltd. (上海德寰置業有限公司) on 31 May 2018, the property management services agreements entered into between Shanghai Property Management and Sinochem International Corporation (中化國際(控股)股份有限公司) on 31 May 2018, the property management services agreement entered into between Shanghai Property Management and Shanghai Yinhui on 31 October 2018. Please refer to the announcements of the Company dated 31 May and 31 October 2018, respectively, for further details
“PRC”	the People’s Republic of China
“Property Management Services”	as defined in section headed “The Framework China Jinmao Property Management Services Agreement” of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Property Management”	Jin Mao (Shanghai) Property Management Co., Ltd. (金茂(上海)物業服務有限公司), a company incorporated in the PRC with limited liability on 18 September 1995 and an indirect wholly-owned subsidiary of the Company
“Shanghai Yinhui”	Shanghai Yinhui Real Estate Development Co., Ltd. (上海銀匯房地產發展有限公司), a company incorporated in the PRC with limited liability on 30 March 2000 and a wholly owned subsidiary of China Jinmao
“Share Stapled Units”	<p>the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</p> <ul style="list-style-type: none"> <li data-bbox="564 1400 740 1432">(a) a Unit; <li data-bbox="564 1474 1485 1623">(b) the beneficial interest in a specifically identified ordinary share of the Company linked to the Unit and held by the Trustee-Manager as legal owner (in its capacity as trustee-manager of Jinmao Hotel); and <li data-bbox="564 1666 1485 1730">(c) a specifically identified preference share of the Company stapled to the Unit

“Sinochem Conglomerate”	Sinochem Group and its subsidiaries and affiliates (excluding the Trust Group)
“Sinochem Group”	Sinochem Group Co., Limited (中國中化集團有限公司) (formerly known as Sinochem Group (中國中化集團公司)), a state-owned enterprise established in the PRC on 11 August 1981 and the ultimate controlling holder of the Share Stapled Units of the Company, and therefore a connected person of the Company
“Trust Deed”	the trust deed dated 13 June 2014 constituting Jinmao Hotel and entered into between the Trustee-Manager and the Company
“Trust Group”	Jinmao Hotel and the Group
“Trustee-Manager”	Jinmao (China) Investments Manager Limited (金茂(中國)投資管理人有限公司), the trustee-manager of Jinmao Hotel
“Unit”	a unit in Jinmao Hotel which confers the rights set out in the Trust Deed

By Order of the Boards
Jinmao (China) Investments Manager Limited
and
Jinmao (China) Hotel Investments and Management Limited
LI Congrui
Chairman

Hong Kong, 21 December 2018

As at the date of this announcement, the directors of the Trustee-Manager and the Company are Mr. LI Congrui (Chairman), Mr. ZHANG Hui and Mr. JIANG Nan as Non-executive Directors; Mr. TANG Yong as Executive Director and Chief Executive Officer; and Dr. CHUNG Shui Ming Timpson, Dr. CHEN Jieping and Dr. XIN Tao as Independent Non-executive Directors.