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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 RENEWED DECORATION SERVICES  
FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 27 December 2017, in relation to the Decoration Services Framework Agreement, pursuant to which Shanghai Decoration would provide the Decoration Services to the Group for the period from 1 January 2018 to 31 December 2018.

On 21 December 2018, the Company and Shanghai Decoration entered into the Renewed Decoration Services Framework Agreement, pursuant to which Shanghai Decoration will provide the Decoration Services to the Group for a further term from 1 January 2019 to 31 December 2020.

Shanghai Decoration is a wholly-owned subsidiary of China Jinmao, which 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.

Since the highest of the applicable percentage ratios (other than the profits ratio) in respect of the transactions under the Renewed Decoration Services Framework Agreement is more than 0.1% but less than 5%, the transactions under the Renewed Decoration Services Framework 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

Reference is made to the announcement of the Company dated 27 December 2017 in relation to the Decoration Services Framework Agreement, pursuant to which Shanghai Decoration would provide the Decoration Services to the Group for the period from 1 January 2018 to 31 December 2018.

On 21 December 2018, the Company and Shanghai Decoration entered into the Renewed Decoration Services Framework Agreement, pursuant to which Shanghai Decoration will provide the Decoration Services to the Group for a further term from 1 January 2019 to 31 December 2020.

## THE RENEWED DECORATION SERVICES FRAMEWORK AGREEMENT

The principal terms of the Renewed Decoration Services Framework Agreement are as follows:

- Date:** 21 December 2018
- Parties:** (a) the Company; and  
(b) Shanghai Decoration.
- Subject matter:** The decoration services to be provided by Shanghai Decoration to the Group include, but are not limited to, the renovation, recovery and relocation works for offices areas, hotels and other related facilities (the “**Decoration Services**”).

Under the Renewed Decoration Services Framework Agreement, members of the Group and Shanghai Decoration will enter into separate agreements in relation to the provision of Decoration Services for relevant projects (the “**Decoration Services Agreements**”). The duration of each Decoration Services Agreement shall not exceed three years. The transactions under the Renewed Decoration Services Framework Agreement are in the ordinary and usual course of business of the Group.

**Term:** From 1 January 2019 to 31 December 2020.

**Proposed cap and pricing basis:** The annual cap of the maximum aggregate amounts payable under the Renewed Decoration Services Framework Agreement is RMB50.0 million for each of the years ending 31 December 2019 and 31 December 2020, respectively.

The cap of the maximum aggregate amounts payable under the Decoration Services Framework Agreement is RMB72.0 million for the period from 1 January 2018 to 31 December 2018.

For the period from 1 January 2018 to 30 June 2018, the aggregate amount paid under the Decoration Services Framework Agreement amounted to approximately RMB1.4 million.

The annual cap in respect of the Renewed Decoration Services Framework Agreement is estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the Decoration Services by the Group; (iii) historical quotations submitted by various decoration services providers invited by the Group for the bidding process; (iv) the prevailing market prices for relevant decoration services; and (v) the existing business scale and operations of Shanghai Decoration. When deciding the market rates of the Decoration 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 by independent third parties for reference or obtain quotations from at least two independent third parties for providing similar decoration services. The Decoration Services Agreements will be on terms no less favourable than those offered by Shanghai Decoration to other independent third parties.

Members of the Group generally source Decoration Services through a bidding process where both independent third parties and Shanghai Decoration are invited to submit bids. Therefore, the prices and terms of the Decoration Services Agreements are subject to among other things, the actual demand for the Decoration Services by the members of the Group and the bidding results.

## **INFORMATION IN RELATION TO THE GROUP AND SHANGHAI DECORATION**

### **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.

### **Shanghai Decoration**

Shanghai Decoration is a wholly-owned subsidiary of China Jinmao, which 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.

Shanghai Decoration is principally engaged in provision of decoration services, including but not limited to the renovation and interior design works for hotel rooms, offices and other related facilities.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED DECORATION SERVICES FRAMEWORK AGREEMENT**

The Directors believe that the Renewed Decoration Services Framework Agreement is consistent with the businesses and commercial objectives of the Group and that the transactions to be carried out under the Renewed Decoration Services Framework Agreement are expected to increase the revenue and profitability of the Group.

## LISTING RULES IMPLICATIONS

Shanghai Decoration is a wholly-owned subsidiary of China Jinmao, which is the controlling holder of the Share Stapled Units, and is therefore a connected person of the Company under the Listing Rules.

Since the highest of the applicable percentage ratios (other than the profits ratio) in respect of the transactions under the Renewed Decoration Services Framework Agreement is more than 0.1% but less than 5%, the transactions under the Renewed Decoration Services Framework 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 to be carried out under the Renewed Decoration Services Framework Agreement are in the ordinary and usual course of business of the Group, and the terms of the Renewed Decoration Services Framework 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 Renewed Decoration Services Framework Agreement by virtue of their relationship with China Jinmao, and each of them had abstained from voting on the resolutions of the Boards with respect to the Renewed Decoration Services Framework 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 Renewed Decoration Services Framework Agreement.

## DEFINITIONS

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

<b>“Boards”</b>	the boards of directors of the Trustee-Manager and the Company
<b>“China Jinmao”</b>	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
<b>“Company”</b>	Jinmao (China) Hotel Investments and Management Limited, a company incorporated in the Cayman Islands
<b>“Decoration Services”</b>	as defined in section headed “The Renewed Decoration Services Framework Agreement” of this announcement

<b>“Decoration Services Agreements”</b>	as defined in section headed “The Renewed Decoration Services Framework Agreement” of this announcement
<b>“Decoration Services Framework Agreement”</b>	the decoration services framework agreement entered into between the Company and Shanghai Decoration on 25 December 2017
<b>“Directors”</b>	the directors of the Company and the Trustee-Manager
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Jinmao Hotel”</b>	Jinmao Hotel (金茂酒店), as constituted pursuant to the Trust Deed
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“PRC”</b>	the People’s Republic of China
<b>“Renewed Decoration Services Framework Agreement”</b>	the renewed decoration services framework agreement entered into between the Company and Shanghai Decoration on 21 December 2018, pursuant to which Shanghai Decoration will provide the Decoration Services to the Group for the period from 1 January 2019 to 31 December 2020
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Shanghai Decoration”</b>	Shanghai Jin Mao Construction & Decoration Company Limited (上海金茂建築裝飾有限公司), a company incorporated in the PRC with limited liability on 18 October 1994 and a wholly-owned subsidiary of China Jinmao, therefore a connected person of the Company under the Listing Rules
<b>“Share Stapled Units”</b>	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: <ul style="list-style-type: none"> <li>(a) a Unit;</li> <li>(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> <li>(c) a specifically identified preference share of the Company stapled to the Unit</li> </ul>

<b>“Trust Deed”</b>	the trust deed dated 13 June 2014 constituting Jinmao Hotel and entered into between the Trustee-Manager and the Company, as amended from time to time
<b>“Trustee-Manager”</b>	Jinmao (China) Investments Manager Limited (金茂(中國)投資管理有限公司), the trustee-manager of Jinmao Hotel
<b>“Unit”</b>	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.*