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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 ZHEJIANG PUFU
CONSULTANCY SERVICES AGREEMENT**

Reference is made to the announcement of the Company dated 7 December 2018, pursuant to which the Company entered into the Framework Consultancy Services Agreement with China Jinmao to provide certain consultancy services to members of the China Jinmao Group for the period from 7 December 2018 to 31 December 2020. On 28 February 2019, Shanghai Property Management, a wholly-owned subsidiary of the Company, entered into the Zhejiang Pufa Consultancy Services Agreement with Zhejiang Pufa, a non-wholly owned subsidiary of Sinochem Group, in relation to the provision of certain property management consultancy services by Shanghai Property Management to Zhejiang Pufa for the period from 1 March 2019 to 30 November 2019.

Zhejiang Pufa is an indirect non-wholly owned subsidiary of Sinochem Group, the ultimate 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 in respect of the transactions under the Zhejiang Pufa Consultancy Services Agreement and the Framework Consultancy Services Agreement is more than 0.1% but less than 5%, the transactions under these agreements when aggregated 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 7 December 2018, pursuant to which the Company entered into the Framework Consultancy Services Agreement with China Jinmao to provide certain consultancy services to members of the China Jinmao Group for the period from 7 December 2018 to 31 December 2020. On 28 February 2019, Shanghai Property Management, a wholly-owned subsidiary of the Company, entered into the Zhejiang Pufa Consultancy Services Agreement with Zhejiang Pufa, a non-wholly owned subsidiary of Sinochem Group, in relation to the provision of certain property management consultancy services by Shanghai Property Management to Zhejiang Pufa for the period from 1 March 2019 to 30 November 2019.

THE ZHEJIANG PUFU CONSULTANCY SERVICES AGREEMENT

The principal terms of the Zhejiang Pufa Consultancy Services Agreement are as follows:

- Date:** 28 February 2019
- Parties:**
- (a) Shanghai Property Management, a subsidiary of the Company; and
 - (b) Zhejiang Pufa, a subsidiary of Sinochem Group.
- Subject matter:** Shanghai Property Management has agreed to provide certain property management consultancy services (the “**Consultancy Services**”) to Zhejiang Pufa in relation to the provision of property management services by Zhejiang Pufa for Zhonghua Lantian Tower (中化藍天大廈) in Hangzhou, the PRC, which mainly include consultancy services for (i) health, safety and environment (HSE) and security management, (ii) management of facilities and equipment, and (iii) management of customer services and environmental maintenance.
- The transactions under the Zhejiang Pufa Consultancy Services Agreement are in the ordinary and usual course of business of the Group.
- Term:** From 1 March 2019 to 30 November 2019.
- Consideration and pricing basis:** The consideration to be paid to Shanghai Property Management under the Zhejiang Pufa Consultancy Services Agreement amounted to a consultancy fee of RMB120,000, which will be paid by Zhejiang Pufa to Shanghai Property Management on a one-off basis within 20 days upon the receipt of the issued bill from Shanghai Property Management by Zhejiang Pufa.

The consideration in respect of the Zhejiang Pufa Consultancy Services Agreement was determined after arm's length negotiations and on terms no more favourable than those offered by Shanghai Property Management to other independent third parties and are estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the customised Consultancy Services by Zhejiang Pufa; and (iii) the prevailing market prices for relevant customised Consultancy Services. When deciding the market rates for providing the property management consulting services, the management of Shanghai Property Management 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 consultancy services.

INFORMATION IN RELATION TO THE GROUP, SHANGHAI PROPERTY MANAGEMENT, SINOCHEM GROUP AND ZHEJIANG PUFA

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 Property Management

Shanghai Property Management is an indirect wholly-owned subsidiary of the Company and primarily engages in providing property management services and related consultancy services.

Sinochem Group

Sinochem Group is one of the central state-owned enterprises in the PRC with the approval of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC to develop, invest in and manage real estate projects as one of its core business.

Zhejiang Pufa

Zhejiang Pufa is an indirect non-wholly owned subsidiary of Sinochem Group and primarily engages in providing property management services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ZHEJIANG PUFA CONSULTANCY SERVICES AGREEMENT

The Directors believe that it is in the interests of the Group to expand Shanghai Property Management's business to the medium-end and diversified property management consultancy services by leveraging on its strengths in property management. In addition, the provision of property management consultancy services to Zhejiang Pufa under the Zhejiang Pufa Consultancy Services Agreement will enable Shanghai Property Management to diversify its revenue sources, to consolidate the property portfolio it manages, to attract new customers for its property management services business in Zhejiang Province, the PRC, and to promote its business expansion.

LISTING RULES IMPLICATIONS

Zhejiang Pufa is an indirect non-wholly owned subsidiary of Sinochem Group, the ultimate 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 in respect of the transactions under the Zhejiang Pufa Consultancy Services Agreement and the Framework Consultancy Services Agreement is more than 0.1% but less than 5%, the transactions under these agreements when aggregated 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 Zhejiang Pufa Consultancy Services Agreement are in the ordinary and usual course of the business of the Group, the terms of the Zhejiang Pufa Consultancy 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 Zhejiang Pufa Consultancy Services Agreement by virtue of their relationship with Sinochem Group, and each of them had abstained from voting on the resolutions of the respective Boards with respect to the Zhejiang Pufa Consultancy 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 Zhejiang Pufa Consultancy 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 Group”	China Jinmao and its subsidiaries and affiliates (excluding Sinochem Group and its affiliates and 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
“Consultancy Services”	as defined in section headed “The Zhejiang Pufa Consultancy Services Agreement” of this announcement
“Directors”	the directors of the Company and the Trustee-Manager
“Framework Consultancy Services Agreement”	the framework consultancy services agreement entered into on 7 December 2018 between the Company and China Jinmao in relation to provision of certain consultancy services by the Company 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
“PRC”	the People’s Republic of China
“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

“Share Stapled Units”	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: (a) a Unit; (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 (c) a specifically identified preference share of the Company stapled to the Unit
“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 Group”	Jinmao Hotel and the Group
“Trust Deed”	the trust deed dated 13 June 2014 constituting Jinmao Hotel and entered into between the Trustee-Manager and the Company
“Trustee-Manager”	Jinmao (China) Investments Manager Limited (金茂(中國)投資管理有限公司), the trustee-manager of Jinmao Hotel
“Unit”	a unit in Jinmao Hotel which confers the rights set out in the Trust Deed
“Zhejiang Pufa”	Zhejiang Pufa Industry Co., Ltd. (浙江普發實業有限公司), a limited liability company established in the PRC on 10 October 1994 and an indirect non-wholly owned subsidiary of Sinochem Group
“Zhejiang Pufa Consultancy Services Agreement”	the consultancy services agreement between Shanghai Property Management and Zhejiang Pufa dated 28 February 2019 in relation to the provision of the Consultancy Services to Zhejiang Pufa

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

Hong Kong, 28 February 2019

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.