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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)**

## **UNAUDITED OPERATIONAL DATA FOR THE FIRST QUARTER OF 2020 AND OTHER BUSINESS UPDATE**

### **UNAUDITED OPERATIONAL DATA**

The boards of directors (the “**Boards**”) of Jinmao (China) Investments Manager Limited (the “**Trustee-Manager**”, as trustee-manager of Jinmao Hotel (the “**Trust**”) and Jinmao (China) Hotel Investments and Management Limited (the “**Company**”) hereby announce certain unaudited operational data of the Trust and the Company as follows:

<b>Hotel areas</b>	<b>Rooms</b>	<b>Accumulated occupancy for the first quarter of 2020</b>	<b>Accumulated occupancy for the first quarter of 2019</b>	<b>Change</b>
Shanghai	790	24.0%	70.9%	-66.2%
Sanya	956	33.2%	85.1%	-61.0%
Beijing	879	22.5%	79.6%	-71.7%
Other districts	812	19.4%	64.7%	-70.1%
<b>Total</b>	<b>3,437</b>	<b>25.1%</b>	<b>75.6%</b>	<b>-66.9%</b>

<b>Hotel areas</b>	<b>Rooms</b>	<b>Accumulated average daily rate for the first quarter of 2020</b>	<b>Accumulated average daily rate for the first quarter of 2019</b>	<b>Change</b>
Shanghai	790	1,123	1,238	-9.3%
Sanya	956	2,038	1,813	12.5%
Beijing	879	1,032	1,047	-1.4%
Other districts	812	954	953	0.0%
<b>Total</b>	<b>3,437</b>	<b>1,408</b>	<b>1,309</b>	<b>7.5%</b>

<b>Hotel areas</b>	<b>Rooms</b>	<b>Accumulated RevPAR for the first quarter of 2020</b>	<b>Accumulated RevPAR for the first quarter of 2019</b>	<b>Change</b>
Shanghai	790	269	878	-69.3%
Sanya	956	676	1,542	-56.2%
Beijing	879	232	834	-72.1%
Other districts	812	185	617	-70.1%
<b>Total</b>	<b>3,437</b>	<b>353</b>	<b>990</b>	<b>-64.4%</b>

## **IMPACTS OF THE COVID-2019 PANDEMIC ON THE BUSINESS OF THE COMPANY AND OUTLOOK**

The outbreak of the COVID-2019 pandemic (the “**Pandemic**”) at the beginning of 2020 has produced a huge impact on the hospitality industry and the entire tourism industry in China. The hotel and tourism business of the Company was also significantly affected. The affiliated hotels of the Company maintained operations during the Pandemic. However, occupancy fell sharply. Given operational safety considerations and in response to the requirements of the Shanghai Municipal Administration of Culture and Tourism, the tourism business of Jin Mao Tower has been closed since the afternoon of 24 January and the schedule for re-opening is yet to be confirmed. The leasing of office premises is expected to be relatively stable in the short-term.

To cope with the Pandemic, the Company has taken the following measures:

First, the Company promptly activated its contingency plans upon the request of the National Health Commission of the People’s Republic of China and strictly implemented various safety prevention and control measures in its affiliated properties, including but not limited to inspection at access control points, sanitisation and strengthening the registration of particulars in an effort to safeguard the safety and health of customers and employees. At the same time, taking into account the efforts made by J • LIFE branded merchants in Jin Mao Tower in combating the Pandemic as well as the difficulties they have encountered, the Company has implemented certain rental reduction policies during the Chinese New Year holidays for some struggling merchants so as to demonstrate solidarity with its customers.

Second, to cope with the impacts of the Pandemic on the operations and cash flows of the Company, the Company endeavoured to reduce costs that are not imminent and actively sought policy support. Guidelines on the management of the Pandemic during this special period have been successively introduced, providing details on the emergency plans and measures as to cost control, cash flow management and manpower arrangements etc., so as to ensure that the overall cash flow risks of the Company are within control, which facilitates the stable operation of the Company through the Pandemic. During the Pandemic, the operating costs of the affiliated hotels of the Company decreased by more than 50% as compared to that before the Pandemic. Meanwhile, the Company also received strong support from various regional governments, tourism industry associations and the finance sector. Preferential tax policies, financial assistance and financial support policies of varying degrees have been issued in the provinces and municipalities where the affiliated hotels of the Company are located. This has provided great support for the Company to stabilise operations.

At the same time, the Company has actively prepared sales and marketing strategies targeting business travellers in preparation for the resumption of work with a view to enhancing operating efficiency in the future. The Company will make use of this special period to strengthen property maintenance and repairs, maintain customer relationships and undertake human resources training, while reinforcing the preparation for sales and marketing as well as renovations and upgrades with a view to quickly resuming sales and operations after the Pandemic comes to an end.

Since late February, China's controls over the Pandemic have seen results. However, it is spreading rapidly around the world and the global situation is getting worse. In March, the Civil Aviation Administration of China further cut down the number of international passenger flights in operation to curb imported cases in the Pandemic. This has also increased the difficulties in predicting the recovery of the hotel business. According to the market statistics of STR Global, the decline in RevPAR of the Company's hotels in various regions is in line with the market average level. Given that the prevention and control policies to combat the Pandemic in various regions of China remain stringent and people continue to be cautious with regards to travelling and business trips, coupled with the cancellation of conventions and exhibitions, it is expected that the consumption of the tourism industry and the hospitality industry for the second quarter will continue to decrease significantly as compared with that in the same period last year. The pace of recovery of industry consumption still depends on a number of factors. It is expected that the operating results of the hotel and related businesses of the Company for the first half of the year will inevitably be dampened by the Pandemic and occupancy will face even greater pressure.

Although the Pandemic has resulted in material impacts on the operations of the Company in the short-term, currently the Company has sufficient cash flow, and neither its solvency nor its long-term operations and strategic development is affected. The Boards and management of the Company will closely monitor the developments of the Pandemic and assess the extent of impacts on the operations and financial performance of the Company and make timely disclosure to the holders of share stapled units of the Trust and the Company and potential investors.

## **OTHER BUSINESS UPDATE**

Building on its strategy of “balanced structure of asset-light and asset-heavy business”, the Company will increase revenue by enhancing the expansion of its asset-light business, including hotel and apartment self-management and consulting, tourism consulting, and commercial real estate property management and consulting, among other services. The Company will continue to create value for holders of share stapled units through the synergetic development of its asset-light and asset-heavy businesses.

In the first quarter of 2020, despite the impact of the Pandemic which resulted in adverse circumstances whereby not all of the Company's employees were able to report for duty or travel for work, the Company strengthened communication with customers through WeChat, telephone and video conferencing and successfully secured contracts for property and hotel consultancy projects in Qingdao, Ningbo and Hangzhou.

*Notes:*

1. Hotel areas:
  - Shanghai: Grand Hyatt Shanghai and Hyatt Regency Chongming
  - Sanya: Hilton Sanya Yalong Bay Resort & Spa and The Ritz-Carlton Sanya, Yalong Bay
  - Beijing: The Westin Beijing Chaoyang and Renaissance Beijing Wangfujing Hotel
  - Other districts: JW Marriott Hotel Shenzhen, Lijiang Jinmao Hotel • The Unbound Collection by Hyatt and Jinmao Purelax Mountain Hotel, Lijiang (formerly known as Grand Hyatt Lijiang)
2. Rooms refer to the total number of hotel rooms whether leased or not. Number of leasable rooms refers to the total number of hotel rooms excluding long-term non-leasable and/or permanent self-use rooms.
3. Occupancy is calculated as the total number of leased rooms divided by the total number of leasable rooms.
4. Average daily rate is calculated as the total room revenue divided by the total number of leased rooms.
5. RevPAR (revenue per available room) is calculated as the total room revenue divided by the total number of leasable rooms.
6. Occupancy, average daily rate and RevPAR are calculated according to the weighted average number of rooms for all the hotels.

Holders of share stapled units of the Trust and the Company and potential investors are reminded that the above operational data are based on the Company's records and have not been audited or reviewed by the Company's independent auditors. Holders of share stapled units of the Trust and the Company and potential investors are advised to exercise caution when dealing in share stapled units of the Trust and the Company.

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

Hong Kong, 15 April 2020

*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.*