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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 THIRD SINOCEM INTERNATIONAL PLAZA  
PROPERTY MANAGEMENT SERVICES AGREEMENTS**

Reference is made to the announcements of the Company and the Trust dated 29 April 2016, 22 August 2016 and 31 May 2018, in relation to (i) the First Dehuan Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide Property Management Services for Sinochem International Plaza, an office building in Shanghai owned by Shanghai Dehuan, for the period from 1 June 2016 to 31 May 2018; (ii) the First Dehuan Supplemental Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide certain additional property management services for Sinochem International Plaza for the period from 22 August 2016 to 31 May 2018; (iii) the First Sinochem Property Management Framework Agreement, pursuant to which Shanghai Property Management agreed to provide Customised Property Management Services to the Connected Tenants at Sinochem International Plaza for the period from 22 August 2016 to 31 May 2018; (iv) the Second Dehuan Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide Property Management Services for Sinochem International Plaza to Shanghai Dehuan for the period from 1 June 2018 to 31 May 2020; (v) the Second Dehuan Supplemental Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide certain additional property management services for Sinochem International Plaza for the period from 1 June 2018 to 31 May 2020; and (vi) the Second Sinochem Property Management Framework Agreement, pursuant to which Shanghai Property Management agreed to provide Customised Property Management Services to the Connected Tenants at Sinochem International Plaza for the period from 1 June 2018 to 31 May 2020.

On 29 May 2020, Shanghai Property Management entered into the Third Dehuan Property Management Services Agreement and the Third Dehuan Supplemental Property Management Services Agreement with Shanghai Dehuan for the period from 1 June 2020 to 31 May 2022. On the same day, Shanghai Property Management also entered into the Third Sinochem Property Management Framework Agreement with Sinochem International for the period from 1 June 2020 to 31 May 2022.

Shanghai Dehuan is a wholly-owned subsidiary of Sinochem International, which in turn is a non wholly-owned subsidiary of Sinochem Group, the ultimate controlling holder of the Share Stapled Units of the Company and the Trust. Accordingly, Shanghai Dehuan and Sinochem International are connected persons of the Company and the Trust under the Listing Rules.

As the transactions under the Third Sinochem International Plaza Property Management Services Agreements and the Other Sinochem Property Management Services Agreements are carried out within a 12-month period and are in connection with the provision of property management services by members of the Group 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 (other than the profits ratio) in respect of the aggregate amounts for the transactions under the Third Sinochem International Plaza Property Management Services Agreements and the Other Sinochem Property Management Services Agreements 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.

## **1. INTRODUCTION**

Reference is made to the announcements of the Company and the Trust dated 29 April 2016, 22 August 2016 and 31 May 2018, in relation to (i) the First Dehuan Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide Property Management Services for Sinochem International Plaza, an office building in Shanghai owned by Shanghai Dehuan, for the period from 1 June 2016 to 31 May 2018; (ii) the First Dehuan Supplemental Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide certain additional property management services for Sinochem International Plaza for the period from 22 August 2016 to 31 May 2018; (iii) the First Sinochem Property Management Framework Agreement, pursuant to which Shanghai Property Management agreed to provide Customised Property Management Services to the Connected Tenants at Sinochem International Plaza for the period from 22 August 2016 to 31 May 2018; (iv) the Second Dehuan Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide Property Management Services for Sinochem International Plaza to Shanghai Dehuan for the period from 1 June 2018 to 31 May 2020; (v) the Second Dehuan Supplemental Property Management Services Agreement, pursuant to which Shanghai Property Management agreed to provide certain additional property management services for Sinochem International Plaza for the period from 1 June 2018 to 31 May 2020; and (vi) the Second Sinochem Property Management Framework Agreement, pursuant to which Shanghai Property Management agreed to provide Customised Property Management Services to the Connected Tenants at Sinochem International Plaza for the period from 1 June 2018 to 31 May 2020.

On 29 May 2020, Shanghai Property Management entered into the Third Dehuan Property Management Services Agreement and the Third Dehuan Supplemental Property Management Services Agreement with Shanghai Dehuan for the period from 1 June 2020 to 31 May 2022. On the same day, Shanghai Property Management also entered into the Third Sinochem Property Management Framework Agreement with Sinochem International for the period from 1 June 2020 to 31 May 2022.

**2. THE THIRD DEHUAN PROPERTY MANAGEMENT SERVICES AGREEMENT**

The principal terms of the Third Dehuan Property Management Services Agreement are as follows:

- Date:** 29 May 2020
  
- Parties:**
  - (a) Shanghai Property Management; and
  - (b) Shanghai Dehuan
  
- Subject matter:** Shanghai Property Management has agreed to provide certain property management services for Sinochem International Plaza, an office building in Shanghai owned by Shanghai Dehuan. The property management services mainly include (i) cleaning and order maintenance services for the common areas; (ii) operational and maintenance services for public facilities and equipment; and (iii) other comprehensive management services such as decoration management (the “**Property Management Services**”).
  
- Term:** From 1 June 2020 to 31 May 2022
  
- Consideration and payment terms:**

The property management fees to be paid to Shanghai Property Management primarily consist of (i) a management remuneration fee of RMB40,000 per month; and (ii) a property service fee of RMB20.09 per month per square metre (calculated based on the gross floor area), each of which is based on arm’s length negotiations and on terms no more favourable than those offered by Shanghai Property Management to other independent third parties.

The total consideration (including management remuneration fees and property service fees) under the Third Dehuan Property Management Services Agreement is expected to amount to approximately RMB15.52 million.

**Existing caps and historical transaction amounts:**

The total consideration (including management remuneration fees and property service fees) under the Second Dehuan Property Management Services Agreement was set out to be approximately RMB15.52 million for the period from 1 June 2018 to 31 May 2020.

For the period from 1 June 2018 to 31 December 2018 and the year ended 31 December 2019, the aggregate amounts paid under the Second Dehuan Property Management Services Agreement amounted to approximately RMB2.89 million and RMB6.83 million, respectively.

**Pricing basis:**

The annual caps in respect of the Third Dehuan Property Management Services Agreement are estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the Property Management Services by Shanghai Dehuan; (iii) the historical demand for the Property Management Services by Shanghai Dehuan; (iv) the prevailing market prices for relevant property management services; and (v) the existing business scale and operations of Shanghai Property Management.

### **3. THE THIRD DEHUAN SUPPLEMENTAL PROPERTY MANAGEMENT SERVICES AGREEMENT**

The principal terms of the Third Dehuan Supplemental Property Management Services Agreement are as follows:

**Date:** 29 May 2020

**Parties:** (a) Shanghai Property Management; and  
(b) Shanghai Dehuan

**Subject matter:** The additional property management services to be provided by Shanghai Property Management for Sinochem International Plaza mainly include (i) inspection and maintenance services for engineering facilities; (ii) services for the transformer substation; and (iii) services for materials procurement in connection with Sinochem International Plaza (the “**Additional Property Management Services**”).

For the avoidance of doubt, the Additional Property Management Services are not included in the scope of services under the Third Dehuan Property Management Services Agreement.

Pursuant to the Third Dehuan Supplemental Property Management Services Agreement, Shanghai Property Management and Shanghai Dehuan will enter into separate agreements in relation to the provision of each of the Additional Property Management Services.

**Term:**

From 1 June 2020 to 31 May 2022

**Existing caps and historical transaction amounts:**

The caps of the maximum aggregate amounts payable under the Second Dehuan Supplemental Property Management Services Agreement are set out below:

<b>From 1 June 2018 to 31 December 2018</b>	<b>From 1 January 2019 to 31 December 2019</b>	<b>From 1 January 2020 to 31 May 2020</b>
RMB0.875 million	RMB1.50 million	RMB0.625 million

For the period from 1 June 2018 to 31 December 2018 and the year ended 31 December 2019, the aggregate amounts paid under the Second Dehuan Supplemental Property Management Services Agreement amounted to approximately RMB0.07 million and RMB0.14 million, respectively.

**Proposed caps and pricing basis:**

The caps of the maximum aggregate amounts payable under the Third Dehuan Supplemental Property Management Services Agreement are set out below:

<b>From 1 June 2020 to 31 December 2020</b>	<b>From 1 January 2021 to 31 December 2021</b>	<b>From 1 January 2022 to 31 May 2022</b>
RMB1.75 million	RMB3.00 million	RMB1.25 million

The annual caps in respect of the Third Dehuan Supplemental Property Management Services Agreement are estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the Additional Property Management Services by Shanghai Dehuan; (iii) the historical transaction amounts in relation to the Additional Property Management Services provided by Shanghai Dehuan; (iv) the prevailing market prices for relevant property management services; and (v) the existing business scale and operations of Shanghai Property Management.

#### 4. THE THIRD SINOCEM PROPERTY MANAGEMENT FRAMEWORK AGREEMENT

The principal terms of the Third Sinochem Property Management Framework Agreement are as follows:

**Date:** 29 May 2020

**Parties:** (a) Shanghai Property Management; and  
(b) Sinochem International

**Subject matter:** The customised property management services to be provided by Shanghai Property Management to the Connected Tenants at Sinochem International Plaza include (i) cleaning services for the rented areas of the Connected Tenants; (ii) pest control services for the rented areas of the Connected Tenants; (iii) commission management services in connection with the gym area rented by the Connected Tenants; and (iv) materials procurement on behalf of the Connected Tenants (the “**Customised Property Management Services**”).

For the avoidance of doubt, the Customised Property Management Services are provided to the Connected Tenants in relation to their rented areas at Sinochem International Plaza and are not included in the scope of services under the Third Dehuan Property Management Services Agreement and the Third Dehuan Supplemental Property Management Services Agreement.

Pursuant to the Third Sinochem Property Management Framework Agreement, Shanghai Property Management and each of the Connected Tenants will enter into separate agreements in relation to the provision of the Customised Property Management Services.

**Term:** From 1 June 2020 to 31 May 2022

**Existing caps and historical transaction amounts:**

The caps of the maximum aggregate amounts payable under the Second Sinochem Property Management Framework Agreement are set out below:

<b>From 1 June 2018 to 31 December 2018</b>	<b>From 1 January 2019 to 31 December 2019</b>	<b>From 1 January 2020 to 31 May 2020</b>
RMB1.40 million	RMB2.40 million	RMB1.00 million

For the period from 1 June 2018 to 31 December 2018 and the year ended 31 December 2019, the aggregate amounts paid under the Second Sinochem Property Management Framework Agreement amounted to approximately RMB1.35 million and RMB2.23 million, respectively.

**Proposed caps and pricing basis:**

The caps of the maximum aggregate amounts payable under the Third Sinochem Property Management Framework Agreement are set out below:

<b>From 1 June 2020 to 31 December 2020</b>	<b>From 1 January 2021 to 31 December 2021</b>	<b>From 1 January 2022 to 31 May 2022</b>
RMB1.54 million	RMB2.64 million	RMB1.10 million

The annual caps in respect of the Third Sinochem Property Management Framework Agreement are estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the Customised Property Management Services by the Connected Tenants; (iii) the historical transaction amounts in relation to the Customised Property Management Services provided to the Connected Tenants; (iv) the prevailing market prices for relevant property management services; and (v) the existing business scale and operations of Shanghai Property Management.

## **5. INFORMATION IN RELATION TO JINMAO HOTEL, THE GROUP, SHANGHAI PROPERTY MANAGEMENT, SHANGHAI DEHUAN AND SINOCEM INTERNATIONAL**

### **Jinmao Hotel and 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.

The ultimate controlling holder of the Share Stapled Units is Sinochem Group.

### **Shanghai Property Management**

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

The ultimate beneficial owner of Shanghai Property Management is Sinochem Group.

### **Shanghai Dehuan**

Shanghai Dehuan, a wholly-owned subsidiary of Sinochem International, is a non wholly-owned subsidiary of Sinochem Group, which is the ultimate controlling holder of the Share Stapled Units and is therefore a connected person of the Company and the Trust under the Listing Rules.

Shanghai Dehuan is principally engaged in investing in high quality properties in the PRC.

The ultimate beneficial owner of Shanghai Dehuan is Sinochem Group.

### **Sinochem International**

Sinochem International is a non wholly-owned subsidiary of Sinochem Group, which is the ultimate controlling holder of the Share Stapled Units and is therefore a connected person of the Company and the Trust under the Listing Rules.

Sinochem International is principally engaged in industrial investment, logistics, trading and distribution in the fields of natural rubber, fine chemicals and agrochemicals, chemical logistics, chemical distribution, and other sub-sectors in the international chemicals business, with customers from over 100 countries and regions worldwide.

The ultimate beneficial owner of Sinochem International is Sinochem Group.



## **6. REASONS FOR AND BENEFITS OF ENTERING INTO THE THIRD SINOCEM INTERNATIONAL PLAZA PROPERTY MANAGEMENT SERVICES AGREEMENTS**

The Directors believe that the provision of services by Shanghai Property Management pursuant to the Third Sinochem International Plaza Property Management Services Agreements are in line with the businesses and commercial objectives of Shanghai Property Management, conducive to fostering a long-term cooperative relationship between Shanghai Property Management and Sinochem International, and will enhance the Group's reputation as a provider of property management services, and that Shanghai Property Management can also generate revenue and profits through carrying out the transactions under the Third Sinochem International Plaza Property Management Services Agreements.

## **7. LISTING RULES IMPLICATIONS**

Shanghai Dehuan is a wholly-owned subsidiary of Sinochem International, which in turn is a non wholly-owned subsidiary of Sinochem Group, which is the ultimate controlling holder of the Share Stapled Units. Accordingly, Shanghai Dehuan and Sinochem International are therefore connected persons of the Company and the Trust under the Listing Rules.

As the transactions under the Third Sinochem International Plaza Property Management Services Agreements and the Other Sinochem Property Management Services Agreements are carried out within a 12-month period and are in connection with the provision of property management services by members of the Group 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 (other than the profits ratio) in respect of the aggregate amounts for the transactions under the Third Sinochem International Plaza Property Management Services Agreements and the Other Sinochem Property Management Services Agreements 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.

## **8. DIRECTORS' CONFIRMATION**

The Directors (including the independent non-executive Directors) consider that the transactions to be carried out under the Third Sinochem International Plaza Property Management Services Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that the terms of the Third Sinochem International Plaza Property Management Services Agreements are fair and reasonable and in the interests of the Company, the Trust and the holders of the Share Stapled Units as a whole.

No Director is a director or an employee of Sinochem Group, and no Director has any material interest in the transactions under the Third Sinochem International Plaza Property Management Services Agreements. Therefore, no Director abstained from voting on the relevant resolutions of the respective Boards in respect of these agreements.

## 9. DEFINITIONS

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

“Additional Property Management Services”	as defined in the section headed “The Third Dehuan Supplemental Property Management Services Agreement” of this announcement
“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 whose shares are listed on the Main Board of the Stock Exchange (stock code: 00817) and a controlling holder of the Share Stapled Units, and therefore a connected person of the Company and the Trust
“Company”	Jinmao (China) Hotel Investments and Management Limited (金茂(中國)酒店投資管理有限公司), a company registered in the Cayman Islands
“Connected Tenants”	Sinochem International and/or its associates who are tenants of Sinochem International Plaza and are connected persons of the Company and the Trust
“Customised Property Management Services”	as defined in the section headed “The Third Sinochem Property Management Framework Agreement” of this announcement
“Directors”	the directors of the Company and the Trustee-Manager
“First Dehuan Property Management Services Agreement”	the first property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan on 29 April 2016, details of which are set out in the announcement of the Company and the Trust dated 29 April 2016

“First Dehuan Supplemental Property Management Services Agreement”	the first supplemental property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan on 22 August 2016, details of which are set out in the announcement of the Company and the Trust dated 22 August 2016
“First Sinochem Property Management Framework Agreement”	the first property management framework agreement entered into between Shanghai Property Management and Sinochem International on 22 August 2016, details of which are set out in the announcement of the Company and the Trust dated 22 August 2016
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinmao Hotel” or “Trust”	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
“Other Sinochem Property Management Services Agreements”	comprising the Second Dehuan Property Management Services Agreement dated 31 May 2018, the Second Dehuan Supplemental Property Management Services Agreement dated 31 May 2018, the Second Sinochem Property Management Framework Agreement dated 31 May 2018, and the framework management services agreement between the Company and China Jinmao dated 21 December 2018. Please refer to the announcements of the Company and the Trust dated 31 May 2018 and 21 December 2018, respectively, for further details
“PRC”	the People’s Republic of China
“Property Management Services”	as defined in the section headed “The Third Dehuan Property Management Services Agreement” of this announcement
“Second Dehuan Property Management Services Agreement”	the second property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan on 31 May 2018, details of which are set out in the announcement of the Company and the Trust dated 31 May 2018

“Second Dehuan Supplemental Property Management Services Agreement”	the second supplemental property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan on 31 May 2018, details of which are set out in the announcement of the Company and the Trust dated 31 May 2018
“Second Sinochem Property Management Framework Agreement”	the second property management framework agreement entered into between Shanghai Property Management and Sinochem International on 31 May 2018, details of which are set out in the announcement of the Company and the Trust dated 31 May 2018
“Shanghai Dehuan”	Shanghai Dehuan Property Co., Ltd. (上海德寰置業有限公司), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of Sinochem Group, and therefore a connected person of the Company and the Trust
“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: <ul style="list-style-type: none"> <li data-bbox="643 1168 815 1204">(i) a Unit;</li> <li data-bbox="643 1240 1485 1393">(ii) 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 data-bbox="643 1430 1485 1508">(iii) a specifically identified preference share of the Company stapled to the Unit</li> </ul>
“Sinochem Conglomerate”	Sinochem Group and its subsidiaries and affiliates (excluding Jinmao Hotel and the Group)
“Sinochem Group”	Sinochem Group Co., Limited (中國中化集團有限公司), a state-owned enterprise established in the PRC on 11 August 1981 and the ultimate controlling holder of the Share Stapled Units, and therefore a connected person of the Company and the Trust

“Sinochem International”	Sinochem International Corporation (中化國際(控股)股份有限公司), a state-owned corporation incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600500) and a subsidiary of Sinochem Group, and therefore a connected person of the Company and the Trust
“Sinochem International Plaza”	中化國際廣場, an office building in Shanghai owned by Shanghai Dehuan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Dehuan Property Management Services Agreement”	the third property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan on 29 May 2020, pursuant to which Shanghai Property Management agreed to provide Property Management Services for Sinochem International Plaza to Shanghai Dehuan for the period from 1 June 2020 to 31 May 2022
“Third Dehuan Supplemental Property Management Services Agreement”	the third supplemental property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan on 29 May 2020, pursuant to which Shanghai Property Management agreed to provide Additional Property Management Services to Shanghai Dehuan for the period from 1 June 2020 to 31 May 2022
“Third Sinochem International Plaza Property Management Services Agreements”	the Third Dehuan Property Managements Services Agreement, the Third Dehuan Supplemental Property Management Services Agreement and the Third Sinochem Property Management Framework Agreement
“Third Sinochem Property Management Framework Agreement”	the third property management framework agreement entered into between Shanghai Property Management and Sinochem International on 29 May 2020, pursuant to which Shanghai Property Management agreed to provide Customised Property Management Services to the Connected Tenants for the period from 1 June 2020 to 31 May 2022
“Trust Deed”	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

“Trustee-Manager”                      Jinmao (China) Investments Manager Limited, 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, 29 May 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.*