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**China Jinmao Holdings Group Limited**  
**中國金茂控股集團有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 00817)**

**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)**

## **JOINT ANNOUNCEMENT**

**(1) PROPOSED PRIVATIZATION OF JINMAO HOTEL AND THE COMPANY BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES LAW OF THE CAYMAN ISLANDS AND CLAUSE 34.2 OF THE TRUST DEED**

**(2) PROPOSED WITHDRAWAL OF LISTING**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND**

**(4) RESUMPTION OF TRADING**

**Financial Adviser to the Offeror**



**DBS Asia Capital Limited**

## **INTRODUCTION**

The Offeror, the Company and Jinmao Hotel jointly announce that on 7 June 2020, the Offeror requested the Boards to put forward the Proposal for the privatization of Jinmao Hotel and the Company, which, if approved and implemented, will involve (i) the cancellation and extinguishment of the Ordinary Shares, Preference Shares and Units comprising the Scheme Share Stapled Units; and (ii) withdrawal of the listing of Share Stapled Units on the Stock Exchange. The Cancellation Price will be paid by the Offeror to the Holders of Scheme Share Stapled Units. The Proposal will be carried out by way of (i) a scheme of arrangement under Section 86 of the Companies Law in relation to the Scheme Shares, and (ii) Clause 34.2 of the Trust Deed in relation to the Scheme Units.

If all Proposal Conditions are fulfilled (or waived as applicable) on or before the Long Stop Date, the Offeror will (i) implement the Scheme to cancel and extinguish the Scheme Shares, and (ii) cancel the Scheme Units. The Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company will also apply to the Stock Exchange for the withdrawal of listing of the Share Stapled Units on the Stock Exchange.

If the Proposal does not become unconditional on or before the Long Stop Date, the Proposal will not be implemented and the Proposal will not become effective.

## **THE PROPOSAL**

Under the Proposal, (i) the Scheme Shares will be cancelled and extinguished pursuant to the Scheme; and (ii) simultaneous with the implementation of the Scheme, on the Effective Date the Scheme Units will also be cancelled in accordance with the Trust Deed. In consideration thereof, each Holder of Scheme Share Stapled Units will be entitled to receive the Cancellation Price, being HK\$4.80 in cash for each Scheme Share Stapled Unit cancelled and extinguished.

The total consideration payable to the Holders of Scheme Share Stapled Units for the cancellation and extinguishment of the Scheme Share Stapled Units will be paid by the Offeror.

The Cancellation Price of HK\$4.80 per Scheme Share Stapled Unit cancelled and extinguished represents:

- (a) a premium of approximately 30.4 % over the closing price of HK\$3.68 per Share Stapled Unit as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 57.9 % over the average closing price of approximately HK\$3.04 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 72.7 % over the average closing price of approximately HK\$2.78 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 82.5 % over the average closing price of approximately HK\$2.63 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;

- (e) a premium of approximately 86.8 % over the average closing price of approximately HK\$2.57 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (f) a premium of approximately 64.4 % over the average closing price of approximately HK\$2.92 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day; and
- (g) a premium of approximately 57.4 % over the audited net asset of the Company per Share Stapled Unit of approximately HK\$3.05 as of 31 December 2019 (based on the exchange rate of HK\$1 : RMB0.89578, the central parity rate published by the People's Bank of China on its website as of 31 December 2019 for illustration purposes).

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Holders of Share Stapled Units and potential investors of Share Stapled Units should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

The Cancellation Price has been determined on an arm's length basis after taking into account the financial information of the Group including the financial position of the Group as of 31 December 2019, the Offeror's review of the Group's business and its future prospects, the prices of the Share Stapled Units traded on the Stock Exchange and other privatization transactions in Hong Kong in recent years.

The implementation of the Proposal will be conditional upon the fulfilment or waiver, as applicable, of all the Proposal Conditions as described in the section headed "Proposal Conditions" below. All Proposal Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date failing which the Proposal will lapse.

## **TOTAL CONSIDERATION AND FINANCIAL RESOURCES**

As at the Announcement Date, there are 2,000,000,000 Share Stapled Units in issue, among which:

- (a) the Offeror holds an aggregate of 1,335,319,000 Share Stapled Units, representing approximately 66.77% of the total Share Stapled Units in issue;
- (b) the Offeror Concert Parties hold in aggregate 834,500 Share Stapled Units, representing approximately 0.04% of the total Share Stapled Units in issue;
- (c) members of DBS Group, being a concert party of the Offeror, do not legally or beneficially own, control or have direction over any Share Stapled Units, save for the 24,250,000 Share Stapled Units (representing approximately 1.21% of the total Share Stapled Units in issue) held by DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code, provided that such Share Stapled Units (i.e., the 24,250,000 Share Stapled Units) held by DBS Bank in its capacity as an exempt principal trader shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) or an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code; and
- (d) the Independent Holders of Scheme Share Stapled Units hold in aggregate 663,846,500 Share Stapled Units (including the 24,250,000 Share Stapled Units held by DBS Bank in its capacity as an exempt principal trader), representing approximately 33.19% of the total Share Stapled Units in issue.

There are no outstanding warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Share Stapled Units.

The total amount of cash required for the Proposal is approximately HK\$3,190.5 million, including the payment to the Offeror Concert Parties and the Independent Holders of Scheme Share Stapled Units.

The Offeror intends to finance the cash required for the Proposal through a combination of internal cash resources and/or external debt financing.

DBSAC, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal.

### **IRREVOCABLE UNDERTAKINGS**

As at the Announcement Date, the Offeror has received the Irrevocable Undertakings from the Participating Unitholders, pursuant to which each Participant Unitholder has undertaken to, among other things, exercise (or procure the exercise of) all voting rights attached to the Participating Units held or owned by him/it at the Unitholders Meeting, the Court Meetings and the EGM in favour of all the resolutions to approve the Proposal, the Scheme and any matters in connection with the Proposal and the Scheme (where applicable). The 420,716,000 Participating Units held in aggregate by the Participating Unitholders, which are the subject of the Irrevocable Undertakings, represent approximately 21.04% of the total Share Stapled Units in issue as at the Announcement Date.

### **UNITHOLDERS MEETING, COURT MEETINGS AND EGM**

Given the requirements stated in the Trust Deed and the Articles of Association, and subject to the order of the Grand Court in respect of the Court Meetings:

- (a) a Unitholder (other than the Offeror) shall be entitled to cast a vote in respect of his Units at the Unitholders Meeting;
- (b) the Trustee-Manager (as the sole legal owner of the Scheme Ordinary Shares) will exercise its voting rights of the Scheme Ordinary Shares at the relevant Court Meeting as instructed by the votes cast by the holders of the Scheme Units to which the Scheme Ordinary Shares are linked at the Unitholders Meeting; and
- (c) the votes cast by the holders of the Scheme Preference Shares/Independent Preference Shareholders at the relevant Court Meeting must be cast in the same way as per their votes in the Unitholders Meeting.

In respect of the EGM, a holder of Share Stapled Unit shall cast a single vote in respect of that Share Stapled Unit for each resolution to be considered at the EGM.

### **INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, comprising the following independent non-executive Directors, namely, Dr. Chen Jieping, Dr. Xin Tao and Mr. Tse Yung Hoi, has been established by the Board to make a recommendation to the Independent Unitholders, the Independent Ordinary Shareholders (voting through the Trustee-Manager), the Independent Preference Shareholders and the Independent Holders of Scheme Share Stapled Units as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting in respect of the Scheme at the Court Meetings, and the Proposal at the Unitholders Meeting and the EGM.

Mr. Li Congrui, Mr. Zhang Hui and Mr. Jiang Nan, each being a non-executive Director, have abstained and will continue to abstain from voting at meetings of the Boards in relation to the Proposal given each of them has a material interest in the Proposal. Furthermore, as (i) Mr. Li Congrui and Mr. Jiang Nan are executive directors of the Offeror and Mr. Zhang Hui is a member of the senior management of the Offeror; and (ii) Mr. Li Congrui and Mr. Jiang Nan are also shareholders and option holders of the Offeror and Mr. Zhang Hui is an option holder of the Offeror, they are not considered to be independent for the purpose of making a recommendation to the Proposal and are therefore precluded from joining the Independent Board Committee. The Independent Board Committee has reserved its opinion pending the advice of the Independent Financial Adviser.

#### **INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal. An announcement will be made by the Company and Jinmao Hotel as soon as after the appointment of such independent financial adviser.

#### **DESPATCH OF SCHEME DOCUMENT**

Under Rule 8.2 of the Takeovers Code, unless the Executive's consent is obtained, the Scheme Document containing, inter alia, further details of the Proposal, the Scheme, the expected timetable, an explanatory statement as required under the Companies Law and the Rules of the Grand Court, information regarding Jinmao Hotel and the Company, recommendations from the Independent Board Committee with respect to the Proposal, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, a valuation report pursuant to Rule 11.1(f) of the Takeovers Code, a notice of the Unitholders Meeting, notices of the Court Meetings and a notice of the EGM, together with forms of proxy in relation thereto, should be despatched to the Holders of Share Stapled Units within 21 days of the Announcement Date, which in this case would be on or before 3 July 2020, and in compliance with the requirements of the Companies Law, the Grand Court and other applicable regulations.

The Scheme Document is to be issued in connection with the Proposal including the scheme of arrangement under section 86 of the Companies Law in relation to the Scheme Shares, and may only be despatched to the Holders of Share Stapled Units after the Grand Court has, at a Direction Hearing to be held on a date indicated by the Grand Court, determined that it is satisfied with the terms and conditions of the Scheme and the form and contents of the Scheme Document including the proposed court order, the proposed date of the Court Meetings, the proposed notices and associated proxy forms in relation thereto.

#### **WITHDRAWAL OF LISTING OF THE SHARE STAPLED UNITS**

Upon the Proposal becoming effective, it is anticipated that the listing of the Share Stapled Units on the Stock Exchange will be withdrawn. The Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company will apply to the Stock Exchange for the withdrawal of the listing of the Share Stapled Units on the Stock Exchange immediately following the Proposal becoming effective.



## **IF THE PROPOSAL IS NOT APPROVED OR OTHERWISE LAPSES**

The listing of the Share Stapled Units on the Stock Exchange will not be withdrawn if the Proposal does not become effective or otherwise lapses.

If the Proposal is not approved or otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Proposal is not approved or otherwise lapses, announce an offer or possible offer for the Share Stapled Units, except with the consent of the Executive.

## **RESUMPTION OF TRADING**

At the request of the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company, trading in the Share Stapled Units on the Stock Exchange has been halted from 9:00 a.m. on 8 June 2020 pending the release of this joint announcement. An application has been made by the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company to the Stock Exchange for resumption of trading in the Share Stapled Units on the Stock Exchange with effect from 9:00 a.m. on 15 June 2020.

## **WARNING**

**Holders of Share Stapled Units and potential investors of Share Stapled Units should be aware that the implementation of the Proposal is subject to the Proposal Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Proposal may or may not become effective. Holders of Share Stapled Units and potential investors of Share Stapled Units should therefore exercise caution when dealing in the Share Stapled Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Offeror, Jinmao Hotel or the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote in favour or against of the Proposal. Any acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.**

**The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Holders of Share Stapled Units will be contained in the Scheme Document.**

## **I. INTRODUCTION**

On 7 June 2020, the Offeror requested the Boards to put forward the Proposal for the privatization of Jinmao Hotel and the Company, which, if approved and implemented, will involve (a) the cancellation and extinguishment of the Ordinary Shares, Preference Shares and Units comprising the Scheme Share Stapled Units; and (b) withdrawal of the listing of Share Stapled Units on the Stock Exchange. The Proposal will be carried out by way of (i) a scheme of arrangement under Section 86 of the Companies Law in relation to the Scheme Shares, and (ii) Clause 34.2 of the Trust Deed in relation to the Scheme Units.

## **II. THE PROPOSAL**

Each Share Stapled Unit comprises three components: (i) a Unit, (ii) a beneficial interest in a specifically identified Ordinary Share held by the Trustee-Manager (as trustee-manager of Jinmao Hotel), which is linked to the Unit, and (iii) a specifically identified Preference Share which is stapled to the Unit. Under the Trust Deed and the Articles of Association, the number of Ordinary Shares and Preference Shares in issue must be the same at all times and must also, in each case, be equal to the number of the Units in issue.

Upon the Proposal becoming effective, (i) the Scheme Shares will be cancelled and extinguished pursuant to the Scheme, and (ii) simultaneous with the implementation of the Scheme, on the Effective Date the Scheme Units will also be cancelled in accordance with the Trust Deed.

The share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Please refer to the paragraph headed “Holding Structure of the Share Stapled Units” below for further details regarding the holding structure of the Share Stapled Units upon completion of the Proposal.

The total consideration payable to the Holders of Scheme Share Stapled Units for the cancellation and extinguishment of the Scheme Share Stapled Units will be paid by the Offeror. The Cancellation Price of HK\$4.80 per Scheme Share Stapled Unit cancelled and extinguished represents:

- a premium of approximately 30.4% over the closing price of HK\$3.68 per Share Stapled Unit as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 57.9% over the average closing price of approximately HK\$3.04 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 72.7% over the average closing price of approximately HK\$2.78 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 82.5% over the average closing price of approximately HK\$2.63 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;

- a premium of approximately 86.8% over the average closing price of approximately HK\$2.57 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 64.4% over the average closing price of approximately HK\$2.92 per Share Stapled Unit based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day; and
- a premium of approximately 57.4% over the audited net assets of the Company per Share Stapled Unit of approximately HK\$3.05 as of 31 December 2019 (based on the exchange rate of HK\$1 : RMB0.89578, the central parity rate published by the People's Bank of China on its website as of 31 December 2019 for illustration purposes).

### **Highest and lowest prices of the Share Stapled Units**

During the 18-month period ended on and including the Last Trading Day, the highest closing price of the Share Stapled Units as quoted on the Stock Exchange was HK\$4.73 on 16 April 2019 and the lowest closing price of the Share Stapled Units as quoted on the Stock Exchange was HK\$2.17 on 19 March 2020.

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Holders of Share Stapled Units and potential investors of Share Stapled Units should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

The Cancellation Price has been determined on an arm's length basis after taking into account the financial information of the Group including the financial position of the Group as of 31 December 2019, the Offeror's review of the Group's business and its future prospects, the prices of the Share Stapled Units traded on the Stock Exchange and other privatization transactions in Hong Kong in recent years.

### **Implementation of Proposal**

As the Scheme is only between the Company and the Scheme Shareholders under the Companies Law, not the Unitholders with respect to Jinmao Hotel, the Court Meetings will only be meetings of the Scheme Shareholders. To comply with the meeting requirements of the Trust Deed and the Articles of Association, a separate Unitholders Meeting will be required to be held immediately before the Court Meeting of holders of Scheme Ordinary Shares to enable Unitholders (other than the Offeror) (i.e. holders of Scheme Units) to pass a resolution instructing the Trustee Manager, as holder of the Scheme Ordinary Shares, on how to vote at the Court Meeting of holders of Scheme Ordinary Shares. A subsequent Court Meeting of holders of Scheme Preference Shares will then be held, at which the votes cast by the holders of the Scheme Preference Shares/Independent Preference Shareholders shall be deemed to have cast in the same way as per their votes at the Unitholders Meeting.

Immediately following the Unitholders Meeting and the Court Meetings, the EGM will be convened for the purpose of considering and, if thought fit, approving, among others, a special resolution to approve and give effect to (i) the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; (ii) the cancellation of the Scheme Units; and (iii) the withdrawal of listing of the Share Stapled Units on the Stock Exchange upon the Proposal becoming effective.



The specific requirements regarding voting of Share Stapled Units are contained in the Trust Deed and the Articles of Association, both of which are available on the website of the Company (<http://www.jinmao88.com/en/index.php>). Given these requirements, and subject to the order of the Grand Court in respect of the Court Meetings:

- (a) a Unitholder (other than the Offeror) shall be entitled to cast a vote in respect of his Unit at the Unitholders Meeting;
- (b) the Trustee-Manager (as the sole legal owner of the Scheme Ordinary Shares) will exercise its voting rights of the Scheme Ordinary Shares at the relevant Court Meeting as instructed by the votes cast by the Scheme Units to which the Scheme Ordinary Shares are linked at the Unitholders Meeting; and
- (c) the votes cast by the holders of the Scheme Preference Shares/Independent Preference Shareholders at the relevant Court Meeting must be cast in the same way as per their votes in the Unitholders Meeting.

In respect of the EGM, a holder of Share Stapled Unit shall cast a single vote in respect of that Share Stapled Unit for each resolution to be considered at the EGM.

Please also refer to the section headed “XIV. Forms of Proxy and Voting Paper Requirements under the Trust Deed” in this joint announcement.

### **Proposal Conditions**

The Proposal will become effective and binding on the Offeror, Jinmao Hotel, the Company and all Holders of Share Stapled Units, subject to the fulfilment or waiver (as applicable) of the following Proposal Conditions:

- (a) the approval of the Scheme and the Proposal (by way of poll) by a majority in number of the Unitholders (other than the Offeror) representing not less than 75% in value of the Scheme Units held by the holders of such Units present and voting either in person or by proxy at the Unitholders Meeting;
- (b) (i) the approval of the Scheme and the Proposal (by way of poll) by the Independent Unitholders holding at least 75% of the Units held by the Independent Unitholders that are voted either in person or by proxy at the Unitholders Meeting; and (ii) the number of votes cast (by way of poll) by the Independent Unitholders present and voting either in person or by proxy at the Unitholders Meeting against the resolution to approve the Scheme and the Proposal at the Unitholders Meeting is not more than 10% of the votes attaching to all Units held by all the Independent Unitholders;
- (c) the approval of the Scheme (by way of poll) by a majority in number of the holders of Scheme Ordinary Shares representing not less than 75% in value of the Scheme Ordinary Shares beneficially owned by the holders of such Ordinary Shares present and voting either in person or by proxy at the relevant Court Meeting through the Trustee-Manager;

- (d) (i) the approval of the Scheme (by way of poll) by the Trustee-Manager, as the sole legal owner of the Ordinary Shares, representing at least 75% of the votes attaching to the Ordinary Shares beneficially owned by the Independent Ordinary Shareholders that are voted either in person or by proxy at the relevant Court Meeting; and (ii) the number of votes cast (by way of poll) by the Trustee-Manager, as the sole legal owner of the Ordinary Shares present and voting either in person or by proxy at the relevant Court Meeting against the resolution to approve the Scheme at the relevant Court Meeting is not more than 10% of the votes attaching to all Ordinary Shares beneficially owned by all the Independent Ordinary Shareholders;
- (e) the approval of the Scheme (by way of poll) by a majority in number of the holders of Scheme Preference Shares representing not less than 75% in value of the Scheme Preference Shares held by the holders of such Preference Shares present and voting either in person or by proxy at the relevant Court Meeting;
- (f) (i) the approval of the Scheme (by way of poll) by the Independent Preference Shareholders holding at least 75% of the votes attaching to the Preference Shares held by the Independent Holders of Preference Shares that are voted either in person or by proxy at the relevant Court Meeting; and (ii) the number of votes cast (by way of poll) by the Independent Preference Shareholders present and voting either in person or by proxy at the relevant Court Meeting against the resolution to approve the Scheme at the relevant Court Meeting is not more than 10% of the votes attaching to all Preference Shares held by all the Independent Preference Shareholders;
- (g) the passing of a special resolution by a majority of not less than 75% of the votes cast by the Holders of Share Stapled Units present and voting in person or by proxy at the EGM to approve and give effect to (a) the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; (b) the cancellation of the Scheme Units; and (c) the withdrawal of listing of the Share Stapled Units upon the Proposal becoming effective;
- (h) the Grand Court's sanction of the Scheme (with or without modifications) and its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies of a copy of the order of the Grand Court for registration;
- (i) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the share capital of the Company;
- (j) all authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal required before the Proposal becoming effective having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;

- (k) all authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal required before the Proposal becoming effective remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Proposal becomes effective;
- (l) all necessary consents which may be required for the implementation of the Proposal under any existing contractual obligations of Jinmao Hotel and the Company being obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (m) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;
- (n) there being no provision of any arrangement, agreement, licence or other instrument to which any member of the Group is a party or by or to which any of them is or are or may be bound, entitled or subject which as a consequence of the implementation of the Proposal could or might reasonably result in, to an extent which is material in the context of the Group taken as a whole:
  - (i) any monies borrowed by or other indebtedness (actual or contingent) of any member of the Group being repayable or being capable of being declared payable prior to their stated maturity;
  - (ii) the creation of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Group or any such security (whether arising or having arisen) becoming enforceable; and
  - (iii) any such arrangement, agreement, licence, permit, franchise or other instrument being terminated or adversely modified or any material action being taken or any material obligation arising thereunder; and
- (o) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets and undertakings of any member of the Group from the Announcement Date up to the date when all the Proposal Conditions are satisfied or validly waived (as applicable).

The Offeror reserves the right to waive Proposal Conditions (l) to (o) either in whole or in part, either generally or in respect of any particular matter. Proposal Conditions (a) to (k) cannot be waived in any event. The Trustee-Manager (as trustee-manager of Jinmao Hotel) or the Company has no right to waive any of the Proposal Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all Proposal Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke any such Proposal Condition are of material significance to the Offeror in the context of the Proposal. All Proposal Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse. When all Proposal Conditions are satisfied or waived (as applicable), the Proposal will become effective and binding on the Offeror, Jinmao Hotel, the Company and all the Holders of Share Stapled Units (irrespective of whether or not they attended or voted at the Unitholders Meeting, the Court Meetings or the EGM).

The Trustee-Manager is bound to act according to the terms of the Trust Deed including to, among other matters, exercise its voting rights of the Ordinary Shares in accordance with the votes conferred by the Units to which the Ordinary Shares are linked in the Unitholders Meeting and are bound by a scheme of arrangement proposed by the Company and approved by the Scheme Ordinary Shareholders and Scheme Preference Shareholders in accordance with the Companies Law. Further details of the voting arrangements between the holders of Share Stapled Units and the Trustee-Manager are set out in the section headed “XIV. Forms of Proxy and Voting Paper Requirements under the Trust Deed” in this joint announcement.

Assuming that the Proposal Conditions are satisfied or validly waived (as applicable), it is expected that the Scheme will become effective on or around 28 September 2020. A detailed timetable will be included in the Scheme Document.

In respect of Proposal Conditions (j) to (m), the Offeror, the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company were not aware of and do not reasonably foresee any such authorization, registration, filing, rulings, consent, opinion, permission and approval as at the Announcement Date.

In respect of Proposal Condition (n), as at the Announcement Date, there are certain existing banking facilities (the “**Existing Banking Facilities**”) to which the Company is a party. Under the Existing Banking Facilities, the Company’s obligation of mandatory prepayment or right to accelerate repayment will be triggered if the listing of Share Stapled Units is withdrawn from the Stock Exchange. The Company intends to seek consents and/or waivers from these lending banks so that the Existing Banking Facilities can continue after the listing of Share Stapled Unit is withdrawn. The Offeror reserves the right to waive such condition.

The Offeror is not a party to any agreements or arrangements which relate to circumstances in which it may or may not invoke or seek to invoke any of the Proposal Conditions.

After the listing of Share Stapled Units on the Stock Exchange is withdrawn, the Offeror intends to exercise the Exchange Right pursuant to Clause 12 of the Trust Deed so that all the Units and Preference Shares comprising the Share Stapled Units held by the Offeror will be cancelled and in exchange of the corresponding Ordinary Shares held by the Trustee-Manager (as trustee-manager of Jinmao Hotel) on an one for one basis. Upon completion of the exercise of the Exchange Right by the Offeror, (i) the Company will only have Ordinary Shares which are all held by the Offeror, and all the Preference Shares and Units will be cancelled, unlinked and unstapled with the Ordinary Shares, and (ii) Jinmao Hotel will be terminated pursuant to Clause 25.1(b) of the Trust Deed.

## **WARNING**

**Holders of Share Stapled Units and potential investors of Share Stapled Units should be aware that the implementation of the Proposal is subject to the Proposal Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Proposal may or may not become effective. Holders of Share Stapled Units and potential investors of Share Stapled Units should therefore exercise caution when dealing in Share Stapled Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **III. TOTAL CONSIDERATION AND FINANCIAL RESOURCES**

The Proposal, if approved and implemented, will involve (i) the cancellation and extinguishment of the Ordinary Shares, Preference Shares and Units comprising the Scheme Share Stapled Units, and (ii) withdrawal of the listing of Share Stapled Units on the Stock Exchange. The Cancellation Price of HK\$4.80 per Scheme Share Stapled Units cancelled and extinguished will be paid by the Offeror.

As at the Announcement Date:

- (a) the share capital of the Company consists of Ordinary Shares and Preference Shares. The authorized share capital of the Company is HK\$5,000,000 divided into 5,000,000,000 Ordinary Shares and 5,000,000,000 Preference Shares; and
- (b) there are 2,000,000,000 Share Stapled Units in issue, among which 1,335,319,000 Share Stapled Units (representing approximately 66.77% of the total Share Stapled Units in issue) are held by the Offeror and the remaining 664,681,000 Share Stapled Units (representing approximately 33.23% of the total Share Stapled Units in issue) are the subject of the Scheme Share Stapled Units. There are no outstanding warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Share Stapled Units.

The total amount of cash required for the Proposal is approximately HK\$3,190.5 million, including the payment to the Offeror Concert Parties and the Independent Holders of Scheme Share Stapled Units.

The Offeror intends to finance the cash required for the Proposal through a combination of internal cash resources and/or external debt financing.

DBSAC, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal.



#### **IV. IRREVOCABLE UNDERTAKINGS**

The Offeror has received the Irrevocable Undertakings from the Participating Unitholders, pursuant to which each Participating Unitholder has undertaken to, among other things, exercise (or procure the exercise of) all voting rights attached to the Participating Units held or owned by him/it at the Unitholders Meeting, the Court Meetings and the EGM in favour of all the resolutions to approve the Proposal, the Scheme and any matters in connection with the Proposal and the Scheme (where applicable). The 420,716,000 Participating Units held in aggregate by the Participating Unitholders, which are the subject of the Irrevocable Undertakings, represent approximately 21.04 % of the total Share Stapled Units in issue as at the Announcement Date. Further, each Participating Unitholder has undertaken, including without limitation, not to (i) sell, transfer or otherwise dispose of the respective Participating Units; and (ii) enter into any arrangement which would or might impede giving effect to the Proposal or the undertaking given by it under the relevant Irrevocable Undertaking.

The Irrevocable Undertakings will be terminated if the Proposal is not approved or the Proposal otherwise lapses or is withdrawn.

#### **V. HOLDING STRUCTURE OF THE SHARE STAPLED UNITS**

As at the Announcement Date:

- (a) there are a total of 2,000,000,000 Share Stapled Units in issue. Each Share Stapled Unit comprises the following securities or interests in securities:
  - i. a Unit;
  - ii. the beneficial interest in a specifically identified Ordinary Share of HK\$0.0005 each 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
  - iii. a specifically identified Preference Share of HK\$0.0005 each of the Company stapled to the Unit;
- (b) the share capital of the Company consists of Ordinary Shares and Preference Shares. The authorized share capital of the Company is HK\$5,000,000 divided into 5,000,000,000 Ordinary Shares and 5,000,000,000 Preference Shares; and.
- (c) among the 2,000,000,000 Share Stapled Units in issue:
  - i. the Offeror holds an aggregate of 1,335,319,000 Share Stapled Units, representing approximately 66.77% of the total Share Stapled Units in issue;
  - ii. the Offeror Concert Parties hold in aggregate 834,500 Share Stapled Units, representing approximately 0.04% of the total Share Stapled Units in issue;

- iii. members of DBS Group, being a concert party of the Offeror, do not legally or beneficially own, control or have direction over any Share Stapled Units, save for the 24,250,000 Share Stapled Units (representing approximately 1.21% of the total Share Stapled Units in issue) held by DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code. Any Share Stapled Units held by DBS Bank (i.e., the 24,250,000 Share Stapled Units) in its capacity as an exempt principal trader shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) or an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code; and
- iv. the Independent Holders of Share Stapled Units legally or beneficially own, control or have direction over a total of 663,846,500 Share Stapled Units (including the 24,250,000 Share Stapled Units held by DBS Bank in its capacity as an exempt principal trader), representing approximately 33.19% of the total Share Stapled Units in issue.

The table below sets out the holding structure of the Share Stapled Units, to the best knowledge of the Boards, (i) as at the Announcement Date; and (ii) on the basis that the Proposal becomes effective, immediately upon completion of the Proposal:

Holders of Share Stapled Units	As at the Announcement Date		Upon completion of the Scheme	
	Number of Share Stapled Units	%	Number of Share Stapled Units	%
<b>Offeror</b>	<b>1,335,319,000</b>	<b>66.77</b>	<b>1,335,319,000</b>	<b>100</b>
<b>Offeror Concert Parties</b>				
Mr. Li Congrui	350,000	0.02	-	-
Mr. Jiang Nan	484,500	0.02	-	-
<b>Total of the Offeror Concert Parties</b>	<b>834,500</b>	<b>0.04</b>	<b>-</b>	<b>-</b>
<b>Participating Unitholders</b>				
童錦泉(Tong JinQuan) <sup>(1)</sup>	190,643,500	9.53	-	-
陸士慶(Lu Shiqing)	160,101,000	8.01	-	-
Shanghai Construction Overseas (Holdings) Limited	28,971,500	1.45	-	-
HPRY Holdings Limited <sup>(2)</sup>	27,000,000	1.35	-	-
Wii Pte. Ltd. <sup>(2)</sup>	14,000,000	0.70	-	-
<b>Total of the Participating Unitholders</b>	<b>420,716,000</b>	<b>21.04</b>	<b>-</b>	<b>-</b>
<b>Independent Holders of Scheme Share Stapled Units excluding Participating Units <sup>(3)</sup></b>	<b>243,130,500</b>	<b>12.16</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,000,000,000</b>	<b>100.00</b>	<b>1,335,319,000</b>	<b>100</b>

- Notes:*
1. Out of the 190,643,500 Share Stapled Units, 619,500 Share Stapled Units are directly held by Mr. Tong JinQuan and 190,024,000 Share Stapled Units are held by Wealthy Fountain Holdings INC (“**Wealthy Fountain**”), a company wholly-owned by Mr. Tong JinQuan. Therefore, Mr. Tong JinQuan is also deemed to be interested in the Share Stapled Units held by Wealthy Fountain.
  2. Wii Pte. Ltd. is wholly owned by Wilmar International Limited (“**Wilmar International**”) (a company listed on the Singapore Stock Exchange Ltd). Mr. Kuok Khoon Hong (“**Mr. Kuok**”) is the chairman and chief executive officer of the board of directors of Wilmar International and a substantial shareholder of Wilmar International. HPRY Holdings Limited is wholly owned by Mr. Kuok.
  3. Among the 243,130,500 Share Stapled Units held by the Independent Holders of Scheme Share Stapled Units excluding Participating Units, 24,250,000 Share Stapled Units (representing approximately 1.21% of the total Share Stapled Units in issue) are held by DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code. Any Share Stapled Units held by DBS Bank (i.e., 24,250,000 Share Stapled Units) in its capacity as an exempt principal trader shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) or an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code.
  4. All percentages in the above table are approximations.

As at the Announcement Date, there are no options, warrants or convertible securities in respect of the Share Stapled Units held, controlled or directed by the Offeror and the Offeror Concert Parties, or outstanding derivatives in respect of the Share Stapled Units entered into by the Offeror and the Offeror Concert Parties. Jinmao Hotel and the Company do not have any warrants, options, derivatives, convertible securities or other securities in issue which are convertible into Share Stapled Units as at the Announcement Date.

## **VI. OFFEROR’S INTENTION REGARDING JINMAO HOTEL AND THE COMPANY**

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.

Following implementation of the Proposal, the Offeror intends that the Group should continue carrying on its current business and does not intend to make any major changes to the current operations. The Offeror will continue to monitor the Group’s performance and implement appropriate strategies for the Group and its business in light of the challenging environment for hospitality industry in the PRC.

## **VII. REASONS FOR AND BENEFITS OF THE PROPOSAL**

### **Facilitate long-term growth**

The Group is principally an asset owner of hotels and commercial properties in the PRC. These businesses currently face acute challenges arising from the global outbreak of COVID-19. The travel restrictions, quarantine measures and suspension of work imposed by many countries around the world have severely impacted the tourism and leasing industry. Although the Group has taken certain measures in response, its financial and trading prospects continue to be susceptible to the global fallout.

Despite the ongoing challenges, the Offeror remains committed to the Group's long-term prospects. The Offeror intends to implement the necessary transformations to the Group's property portfolio to steer through this difficult period. There is no assurance on the success of the transformation and there could be adverse results to the Group's financial performance in the short to medium term, which may in turn affect the Group's ability to pay distribution in the future. The Proposal, if implemented, will give the Offeror greater flexibility to undertake the required transformation and make strategic decisions that align with the Group's long-term objectives, free from the short-term profit expectation, the pressure of market expectations, share price fluctuations and compliance requirements associated with maintaining the listing status of Jinmao Hotel and the Company.

### **Low liquidity of the Share Stapled Units**

The liquidity of the Share Stapled Units has been at a relatively low level over a prolonged period of time, with an average daily trading volume of 221,869 Share Stapled Units since the listing of the Share Stapled Units on the Stock Exchange on 2 July 2014 up to and including the Last Trading Day, representing approximately 0.011% of the total issued Share Stapled Units as at the Last Trading Day. Low trading liquidity of the Share Stapled Units renders it difficult for Holders of Share Stapled Units to execute substantial on-market disposals without adversely affecting the price of the Share Stapled Units. Further, the Directors (excluding members of the Independent Board Committee whose views will be given after taking into account the advice of the Independent Financial Adviser) believe that such low liquidity hinders the ability of Jinmao Hotel and the Company to raise funds from the public equity market, which no longer serves as a viable source of funding for developing the Group's business.

### **Attractive opportunity to realise investments**

The Proposal is intended to provide the Holders of Scheme Share Stapled Units with an attractive opportunity to realise their investments in the Company for cash at a premium. The Cancellation Price of HK\$4.80 is higher than the highest closing price in the recent 18-month period. The Cancellation Price represents a premium of approximately (i) 30.4% over the closing price of the Share Stapled Units on the Last Trading Day; (ii) 57.9% over the average closing price of the Share Stapled Units for the 5 trading days up to and including the Last Trading Day; (iii) 72.7% over the average closing price of the Share Stapled Units for the 10 trading days up to and including the Last Trading Day; (iv) 82.5% over the average closing price of the Share Stapled Units for the 30 trading days up to and including the Last Trading Day; (v) 86.8% over the average closing price of the Share Stapled Units for the 60 trading days up to and including the Last Trading Day; and (vi) 64.4% over the average closing price of the Share Stapled Units for the 90 trading days up to and including the Last Trading Day.

## **VIII. INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 00817). It is a large-scale developer and operator of quality real estate projects in the PRC. The Offeror is the platform enterprise of Sinochem Group Co., Ltd. (中國中化集團有限公司) in the development of real estate business. It is principally engaged in city operations, property development, commercial leasing, retail operations, hotel operations and finance and services.

## **IX. INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, comprising the following independent non-executive Directors, namely Dr. Chen Jieping, Dr. Xin Tao and Mr. Tse Yung Hoi, has been established by the Board to make a recommendation to the Independent Unitholders, the Independent Ordinary Shareholders (voting through the Trustee-Manager), the Independent Preference Shareholders and the Independent Holders of Scheme Share Stapled Units as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting in respect of the Scheme at the Court Meetings, and the Proposal at the Unitholders Meeting and the EGM.

Mr. Li Congrui, Mr. Zhang Hui and Mr. Jiang Nan, each being a non-executive Director, have abstained and will continue to abstain from voting at meetings of the Boards in relation to the Proposal given each of them has a material interest in the Proposal. Furthermore, as (i) Mr. Li Congrui and Mr. Jiang Nan are executive Directors of the Offeror and Mr. Zhang Hui is a member of the senior management of the Offeror, and (ii) Mr. Li Congrui and Mr. Jiang Nan are also shareholders and option holders of the Offeror and Mr. Zhang Hui is an option holder of the Offeror, they are not considered to be independent for the purpose of making a recommendation to the Proposal and are therefore precluded from joining the Independent Board Committee. The Independent Board Committee has reserved its opinion pending the advice of the Independent Financial Adviser.

The Independent Holders of Scheme Share Stapled Units are reminded to carefully read the Scheme Document, including the letter of advice from the Independent Financial Adviser to the Independent Board Committee contained therein before making a decision.

## **X. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal. An announcement will be made by the Company and Jinmao Hotel as soon as after the appointment of such independent financial adviser.



## **XI. WITHDRAWAL OF LISTING OF SHARE STAPLED UNITS**

Upon the Proposal becoming effective, (i) all the Scheme Shares will be cancelled and extinguished pursuant to the Scheme; and (ii) the Scheme Units will be cancelled in accordance with the Trust Deed and pursuant to the relevant resolutions of the Holders of Share Stapled Units passed at the EGM. The Scheme Share Stapled Units certificates will thereafter cease to have effect as documents or evidence of title. The Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company will apply to the Stock Exchange for the withdrawal of the listing of the Share Stapled Units on the Stock Exchange immediately following the Proposal becoming effective. The Holders of Share Stapled Units will be notified by way of an announcement of the exact date of the last day for dealing in the Share Stapled Units and on which the Scheme, the Proposal and the withdrawal of the listing of the Share Stapled Units on the Stock Exchange will become effective. A detailed timetable of the Proposal will be included in the Scheme Document, which will also contain, inter alia, further details of the Proposal.

## **XII. IF THE PROPOSAL IS NOT APPROVED OR OTHERWISE LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any Proposal Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Share Stapled Units on the Stock Exchange will not be withdrawn if the Proposal does not become effective.

If the Proposal is not approved or otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Proposal is not approved or otherwise lapses, announce an offer or possible offer for the Share Stapled Units, except with the consent of the Executive.

**Holders of Share Stapled Units and potential investors of Share Stapled Units should exercise caution when dealing in the securities of Jinmao Hotel and the Company. If they are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **XIII. OVERSEAS HOLDERS OF SCHEME SHARE STAPLED UNITS**

The making and implementation of the Proposal to Holders of Scheme Share Stapled Units who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Holders of Scheme Share Stapled Units are located. Such Holders of Scheme Share Stapled Units should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Holders of Scheme Share Stapled Units wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due from such holders in such jurisdiction. Any acceptance by such Holders of Scheme Share Stapled Units will be deemed to constitute a representation and warranty from such persons to the Offeror, the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company and their respective advisers that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Holders of Scheme Share Stapled Units is prohibited by the relevant law or regulation or may only be effected after compliance with conditions or requirements that the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Holders of Scheme Share Stapled Units, Jinmao Hotel or the Company), the Scheme Document may not be despatched to such overseas Holders of Scheme Share Stapled Units.

For that purpose, the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company may apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Holders of Scheme Share Stapled Units. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Holders of Scheme Share Stapled Units, as the case may be. Should such waiver be granted by the Executive, such overseas Holders of Scheme Share Stapled Units would still be entitled to vote in person or by proxy at the Unitholders Meeting, the Court Meetings and the EGM to approve the Scheme and the Proposal.

## **XIV. FORMS OF PROXY AND VOTING PAPER REQUIREMENTS UNDER THE TRUST DEED**

### **Unitholders Meeting and Court Meetings**

The forms of proxy and the form of voting papers provided for use in respect of the Unitholders Meeting shall, unless expressly stated otherwise in the relevant form, have the effect that the vote given in respect of Units either for or against a resolution shall also constitute an instruction to the Trustee-Manager to vote the same number of Scheme Ordinary Shares which are linked to the Scheme Units in the same way (either for or against) at the Court Meeting for the holders of Scheme Ordinary Shares. The votes cast by the holders of the Scheme Preference Shares/Independent Preference Shareholders at the Court Meeting of Scheme Preference Shares shall be deemed to have cast in the same ways as per their votes at the Unitholders Meeting.

In light of the above, subject to the approval from the Grand Court, the following arrangements will be in place for the forms of proxy and voting papers for the Unitholders Meeting, the Court Meetings and the EGM:

(a) Unitholders Meeting and the Court Meeting of Scheme Preference Shares

The form of proxy and the form of voting paper provided for use in respect of these two meetings will be combined, and the form of voting paper will be completed and collected at the Unitholders Meeting.

(b) Court Meeting of Scheme Ordinary Shares

The form of proxy and the form of voting paper will only be made available to the Trustee-Manager (as the sole legal owner of the Scheme Ordinary Shares), who will exercise its voting rights of the Scheme Ordinary Shares in the Court Meeting of Scheme Ordinary Shares in accordance with the votes cast by the Scheme Units to which the Scheme Ordinary Shares are linked in the Unitholders Meeting.

### **EGM**

In relation to the EGM, the form of proxy to be provided to Holders of Share Stapled Units, and the form of voting paper, will, in each case, be a single, composite, form such that the vote given in respect of the Share Stapled Units in question shall constitute:

- (a) a vote of the Units included in the Share Stapled Units, in respect of any required resolution of Unitholders;
- (b) a vote of the Preference Shares stapled to those Units in respect of any required resolution of holders of Preference Shares; and
- (c) an instruction to the Trustee-Manager to vote the number of Ordinary Shares linked to the relevant Units in the same way (either for or against) in respect of any required resolution of holders of Ordinary Shares.

## Summary of the Unitholders Meeting, Court Meetings and the EGM

The table below summarises the meeting, voting, and forms of proxy/voting paper arrangements and the approval threshold for the Proposal:

<b>Sequence of the meetings to be convened for the Proposal</b>	<b>Summary of the resolutions to be considered at the meeting</b>	<b>Approval threshold</b>	<b>Voting arrangement</b>	<b>Forms of proxy and voting paper arrangement</b>
1. Unitholders Meeting	the Scheme and the Proposal	Conditions (a) and (b) above in the section headed “Proposal Conditions” above in this joint announcement	A Unitholder (other than the Offeror) shall be entitled to cast a vote in respect of his Unit.	<p>A combined form of proxy and combined form of voting paper for both the Unitholders Meeting and the Court Meeting of Scheme Preference Shares.</p> <p>The vote for the Scheme Units shall also constitute the same vote for the Scheme Preference Shares on the same resolution.</p>

<b>Sequence of the meetings to be convened for the Proposal</b>	<b>Summary of the resolutions to be considered at the meeting</b>	<b>Approval threshold</b>	<b>Voting arrangement</b>	<b>Forms of proxy and voting paper arrangement</b>
2. Court Meeting of Scheme Ordinary Shares	the Scheme	Conditions (c) and (d) above in the section headed “Proposal Conditions” above in this joint announcement	In relation to condition (c) as set forth in the section headed “Proposal Conditions”, for the purposes of determining the majority in number of the holders of Scheme Ordinary Shares only, the Trustee-Manager (as the sole legal owner of the Scheme Ordinary Shares) will cast one vote in accordance with the instructions of the majority of the votes which are cast by the Units to which the Scheme Ordinary Shares are linked in the Unitholders Meeting.	The form of proxy and the form of voting paper will only be made available to the Trustee-Manager.



<b>Sequence of the meetings to be convened for the Proposal</b>	<b>Summary of the resolutions to be considered at the meeting</b>	<b>Approval threshold</b>	<b>Voting arrangement</b>	<b>Forms of proxy and voting paper arrangement</b>
			<p>In relation to conditions (c) and (d) (for the purposes of determining the value of the Scheme Ordinary Shares present and voting) as set forth in the section headed “Proposal Conditions”, the Trustee-Manager (as the sole legal owner of the Scheme Ordinary Shares) will exercise the voting rights of the Scheme Ordinary Shares in the same proportion as the votes which are cast by the Units to which the Scheme Ordinary Shares are linked in the Unitholders Meeting.</p>	

<b>Sequence of the meetings to be convened for the Proposal</b>	<b>Summary of the resolutions to be considered at the meeting</b>	<b>Approval threshold</b>	<b>Voting arrangement</b>	<b>Forms of proxy and voting paper arrangement</b>
3. Court Meeting of Scheme Preference Shares	the Scheme	Conditions (e) and (f) above in the section headed “Proposal Conditions” above in this joint announcement	The votes cast by the holders of the Scheme Preference Shares/ Independent Preference Shareholders at the Court Meeting of Scheme Preference Shares shall be deemed to have cast in the same way as per their votes in the Unitholders Meeting.	A combined form of proxy and combined form of voting paper for both the Unitholders Meeting and the Court Meeting of Scheme Preference Shares.  The vote for the Scheme Units shall also constitute the same vote for the Scheme Preference Shares on the same resolution.
4. EGM	Reduction of share capital of the Company by cancelling and extinguishing the Scheme Shares, cancellation of the Scheme Units, and withdrawal of listing of Share Stapled Units	Condition (g) above in the section headed “Proposal Conditions” above in this joint announcement	A holder of Share Stapled Unit shall cast a single vote in respect of that Share Stapled Unit for each resolution.	The form of proxy and the form of voting paper of the EGM to be provided to Holders of Share Stapled Units will, in each case, be a single, composite, form.

## **XV. THE SCHEME SHARE STAPLED UNITS, THE UNITHOLDERS MEETING, THE COURT MEETINGS AND THE EGM**

As at the Announcement Date, the Offeror holds an aggregate of 1,335,319,000 Share Stapled Units, representing approximately 66.77% of the total number of issued Share Stapled Units, which will not constitute Scheme Share Stapled Units and will not be cancelled and extinguished upon the Proposal becoming effective. The 350,000 Share Stapled Units held by Mr. Li Congrui, 771,000 Share Stapled Units held by Mr. Zhang Hui, and 484,500 Share Stapled Units held by Mr. Jiang Nan, will form part of the Scheme Share Stapled Units and will be cancelled and extinguished upon the Proposal becoming effective.

The Offeror and the Offeror Concert Parties will undertake to the Grand Court that they will be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

Members of DBS Group, being a concert party of the Offeror, do not legally or beneficially own, control or have direction over any Share Stapled Units, save for the 24,250,000 Share Stapled Units (representing approximately 1.21% of the total Share Stapled Units in issue) held by DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code. Any Share Stapled Units (i.e., the 24,250,000 Share Stapled Units) held by DBS Bank in its capacity as an exempt principal trader shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) or an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code.

All Holders of the Share Stapled Units will be entitled to attend the EGM and vote on, among other things, a special resolution to approve and give effect to (a) the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; (b) the cancellation of the Scheme Units; and (c) the withdrawal of listing of the Share Stapled Units upon the Proposal becoming effective.

The Offeror has undertaken that if the Scheme is approved at the Unitholders Meeting and the Court Meetings, it will cast the votes in respect of those Share Stapled Units held by it in favour of the resolutions to be proposed at the EGM.

## **XVI. COSTS OF THE SCHEME**

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by Jinmao Hotel and the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

## **XVII. GENERAL**

1. The Offeror confirms that, as at the Announcement Date:
  - (a) save as disclosed in section headed “Holding Structure of the Share Stapled Units” above, none of the Offeror and the Offeror Concert Parties own, control or have direction over any voting rights and rights over Share Stapled Units;
  - (b) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to Share Stapled Units between the Offeror and the Offeror Concert Parties and any other person which might be material to the Proposal;
  - (c) save for the conditions disclosed in the section headed “Proposal Conditions” above, there is no agreement or arrangement to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal and/or the Scheme;
  - (d) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to Share Stapled Units or the shares of the Offeror which might be material to the Proposal and/or the Scheme;
  - (e) none of the Offeror and the Offeror Concert Parties have borrowed or lent any Share Stapled Units or any other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Jinmao Hotel or the Company;
  - (f) there are no options, warrants or convertible securities in respect of the Share Stapled Units held, controlled or directed by the Offeror and the Offeror Concert Parties, or outstanding derivatives in respect of the Share Stapled Units entered into by the Offeror and the Offeror Concert Parties;
  - (g) save for the Irrevocable Undertakings, no irrevocable commitment to vote for or against the Proposal has been received by the Offeror and the Offeror Concert Parties;
  - (h) save for the Irrevocable Undertakings, there is no understanding, arrangement or agreement or special deal between (i) any Holders of Share Stapled Units and (ii) (a) the Offeror and the Offeror Concert Parties (including the Trustee-Manager) or (b) Jinmao Hotel, the Company, its subsidiaries or associated companies; and
  - (i) save for the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and the Offeror Concert Parties to the Holders of Scheme Share Stapled Units or their concert parties.

2. The Trust Deed includes an Exchange Right for the benefit of the Registered Holders of Share Stapled Units. By passing an extraordinary resolution of the Registered Holders of Share Stapled Units, Registered Holders of Share Stapled Units may require that all (but not part only) of the Share Stapled Units in issue be exchanged on an one for one basis for the underlying Ordinary Shares held by the Trustee-Manager (as trustee-manager of Jinmao Hotel) that are linked to the Units being exchanged.

If the Exchange Right is exercised, Jinmao Hotel and the Trust Deed would terminate, the Units and Preference Shares would be exchanged with the Trustee-Manager (as trustee-manager of Jinmao Hotel) and cancelled pursuant to the exercise of the Exchange Right and the former Registered Holders of Share Stapled Units would become the holders of an equal number of listed Ordinary Shares. As of the Announcement Date, the Exchange Right has not been exercised by any Registered Holders of Share Stapled Units.

## **XVIII. DESPATCH OF SCHEME DOCUMENT**

Under Rule 8.2 of the Takeovers Code, unless the Executive's consent is obtained, the Scheme Document containing, inter alia, further details of the Proposal, the Scheme, the expected timetable, an explanatory statement as required under the Companies Law and the Rules of the Grand Court, information regarding Jinmao Hotel and the Company, recommendations from the Independent Board Committee with respect to the Proposal, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, a valuation report pursuant to Rule 11.1(f) of the Takeovers Code, a notice of the Unitholders Meeting, notices of the Court Meetings and a notice of the EGM, together with forms of proxy in relation thereto, should be despatched to the Holders of the Share Stapled Units within 21 days of the Announcement Date, which in this case would be on or before 3 July 2020, and in compliance with the requirements of the Companies Law, the Grand Court and other applicable regulations.

The Scheme Document is to be issued in connection with the scheme of arrangement under section 86 of the Companies Law, and may only be despatched to the Holders of Share Stapled Units after the Grand Court has, at a Direction Hearing to be held on a date indicated by the Grand Court, determined that it is satisfied with the terms and conditions of the Scheme and the form and contents of the Scheme Document including the proposed court order, the proposed date of the Court Meetings, the proposed notice and associated proxy form in relation thereto.

A detailed timetable for the Proposal will be set out in the Scheme Document and in the announcement to be jointly made by the Company and Jinmao Hotel and the Offeror upon despatch of the Scheme Document. The Scheme Document will contain important information and the Holders of Scheme Share Stapled Units are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Unitholders Meeting, the Court Meetings and the EGM.

## **XIX. DISCLOSURE OF DEALINGS**

Associates of the Offeror, Jinmao Hotel and the Company (as defined in the Takeovers Code, including shareholders (which in this case would refer to Holders of Share Stapled Units) holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Offeror or Jinmao Hotel and the Company) are hereby reminded to disclose their dealings in any securities of Jinmao Hotel and the Company (including the Share Stapled Units) under Rule 22 of the Takeovers Code during the offer period commencing on the Announcement Date.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

Save for the Share Stapled Units dealt by DBS Bank as an exempt principal trader during its ordinary course of business, none of the Offeror and the Offeror Concert Parties has dealt for value in the Share Stapled Units during the six-month period preceding the Announcement Date.

## **XX. RESUMPTION OF TRADING**

At the request of the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company, trading in the Share Stapled Units on the Stock Exchange has been halted from 9:00 a.m. on 8 June 2020 pending the release of this joint announcement. An application has been made by the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company to the Stock Exchange for resumption of trading in the Share Stapled Units on the Stock Exchange with effect from 9:00 a.m. on 15 June 2020.



## DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement Date”	12 June 2020, being the date of this joint announcement
“Articles of Association”	the amended and restated articles of association of the Company adopted on 13 June 2014, as amended from time to time
“associates”	has the meaning ascribed to it in the Takeovers Code
“Boards”	the boards of directors of the Company and the Trustee-Manager
“Cancellation Price”	the cancellation price of HK\$4.80 per Scheme Share Stapled Unit payable in cash by the Offeror to the Holders of Scheme Share Stapled Units pursuant to the Proposal for every Scheme Share Stapled Units cancelled and extinguished
“CCASS Participant”	a CCASS Clearing Participant (a person admitted to participate in CCASS as a direct clearing participant or general clearing participant), a CCASS Custodian Participant (a person admitted to participate in CCASS as a custodian participant), and a CCASS Investor Participant (a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation)
“Company”	Jinmao (China) Hotel Investments and Management Limited (金茂(中國)酒店投資管理有限公司) (formerly known as Jinmao (China) Investments Holdings Limited 金茂(中國)投資控股有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability on 18 January 2008 and registered by way of continuation in the Cayman Islands as an exempted company with limited liability on 21 March 2014 under the Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Court Meeting(s)”	the meeting(s) of Scheme Shareholders to be convened and held at the direction of the Grand Court at which the Scheme will be voted upon

“DBS Bank”	DBS Bank Ltd., a company incorporated in Singapore and recognised by the Executive as an exempt principal trader for the purposes of the Takeovers Code, the operations of which are carried out independently of any takeover activities carried on by DBSAC with appropriate Chinese walls and compliance procedures in place
“DBSAC”	DBS Asia Capital Limited, the financial adviser to the Offeror, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. DBSAC is wholly owned by DBS Bank
“DBS Group”	DBS Bank, DBSAC and any other affiliates of DBS Bank and DBSAC
“Direction Hearing”	a direction hearing of the Grand Court for the purpose of giving direction as to the holding of the Court Meeting(s)
“Director(s)”	a director of the Company and the Trustee-Manager
“Effective Date”	the date on which the Proposal becomes effective in accordance with the Companies Law and the Trust Deed
“EGM”	an extraordinary general meeting of the Unitholders, Ordinary Shareholders and Preference Shareholders to be held on a combined basis as a single meeting characterised as an extraordinary general meeting of the Holders of Share Stapled Units, convened by the Trustee-Manager and the Company for the Holders of Share Stapled Units to consider and, if thought fit, approve, among others, a special resolution to approve and give effect to (i) the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; (ii) the cancellation of the Scheme Units; and (iii) the withdrawal of listing of the Share Stapled Units on the Stock Exchange upon the Proposal becoming effective
“Exchange Right”	the right of the Registered Holders of Share Stapled Units under the Trust Deed, exercisable by passing an extraordinary resolution of Registered Holders of Units, to require all of the Share Stapled Units in issue to be exchanged for the Ordinary Shares held by the Trustee-Manager which are linked to the Units which are components of the Share Stapled Units. If the Exchange Right is exercised, the Trust Deed would terminate, the Units and the Preference Shares would be exchanged and cancelled according to terms and conditions of the Trust Deed
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“exempt principal trader”	has the meaning ascribed to it in the Takeovers Code

“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Holder(s) of Scheme Share Stapled Units”	holder(s) of Scheme Share Stapled Units
“Holders of Share Stapled Units”	person(s) registered in the Share Stapled Units register as holder(s) of Share Stapled Units and, where the registered holder of Share Stapled Units is HKSCC Nominees Limited, shall also include, where the context so admits, the Central Clearing and Settlement System (“CCASS”) participants whose securities accounts with the CCASS are deposited with the Share Stapled Units
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising the following non-executive, namely Dr. Chen Jieping, Dr. Xin Tao and Mr. Tse Yung Hoi, to make a recommendation to the Independent Holders of Scheme Share Stapled Units, in respect of, among others, the Proposal, respectively
“Independent Financial Adviser”	the independent financial adviser in respect of the Proposal to be appointed by the Company with the approval of the Independent Board Committee
“Independent Holders of Scheme Share Stapled Units”	all of the Holders of Scheme Share Stapled Units: <ul style="list-style-type: none"> <li>(a) excluding the Offeror and the Offeror Concert Parties; but</li> <li>(b) including DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code, provided that DBS Bank shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) or an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code</li> </ul>

“Independent Ordinary Shareholders”	<p>all of the beneficial owners of the Ordinary Shares:</p> <p>(a) excluding the Offeror and the Offeror Concert parties; but</p> <p>(b) including DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code, provided that DBS Bank shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) or an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code</p>
“Independent Preference Shareholders”	<p>all of the holders of the Preference Shares:</p> <p>(a) excluding the Offeror and the Offeror Concert parties; but</p> <p>(b) including DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code, provided that DBS Bank shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) or an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code</p>
“Independent Unitholders”	<p>all of the holders of the Units:</p> <p>(a) excluding the Offeror and the Offeror Concert parties; but</p> <p>(b) including DBS Bank, an exempt principal trader recognized by the Executive for the purposes of the Takeovers Code, provided that DBS Bank shall not be entitled to vote as an Independent Unitholder at the Unitholders Meeting and as an Independent Ordinary Shareholder (through the Trustee-Manager) and an Independent Preference Shareholder at the Court Meetings to approve the Proposal and the Scheme pursuant to Rule 35.4 of the Takeovers Code</p>
“Irrevocable Undertakings”	<p>the irrevocable undertakings given by the Participating Unitholders in favour of the Offeror dated 11 June 2020 in respect of 420,716,000 Share Stapled Units in aggregate</p>
“Jinmao Hotel”	<p>Jinmao Hotel (金茂酒店) (formerly known as Jinmao Investments (金茂投資)), a trust constituted by the Trust Deed under the laws of Hong Kong, which has been established as a fixed single investment trust, with its activities being limited to investing in the Company and anything necessary or desirable for or in connection with investing in the Company</p>

“Last Trading Day”	5 June 2020, being the last trading day on which the Share Stapled Units were traded on the Stock Exchange prior to the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 November 2020, or such later date as may be agreed between the Offeror, the Trustee-Manager (as trustee-manager of Jinmao Hotel) and the Company, subject to approval by DBSAC, or to the extent applicable, as the Executive may consent and as the Grand Court on application of the Offeror, the Trustee-Manager (as trustee-manager of Jinmao Hotel) or the Company may allow
“Offeror”	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司) (formerly known as Franshion Properties (China) Limited 方興地產(中國)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 (stock code: 00817) and a controlling Holder of Share Stapled Units and a connected person of Jinmao Hotel and the Company
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including Mr. Li Congrui and Mr. Jiang Nan as at the Announcement Date
“Ordinary Shares”	ordinary shares with a par value of HK\$0.0005 each in the share capital of the Company conferring the rights set out in the articles of association of the Company
“Ordinary Shareholder(s)”	a person registered at the relevant time in the register of members of the Company as the holder of an Ordinary Share, i.e. the Trustee-Manager
“Participating Unitholders”	Mr. Tong JinQuan (童錦泉) (himself and through Wealthy Fountain Holdings INC, a company wholly owned by Mr. Tong JinQuan), Mr. Lu Shiqing (陸士慶), Shanghai Construction Overseas (Holdings) Limited, HPRY Holdings Limited, and Wii Pte. Ltd.
“Participating Units”	collectively, the 190,643,500 Share Stapled Units held by Mr. Tong JinQuan (童錦泉) (among which, 619,500 Share Stapled Units are directly held by Mr. Tong JinQuan and 190,024,000 Share Stapled Units are held by Wealthy Fountain Holdings INC, a company wholly owned by Mr. Tong JinQuan), 160,101,000 Share Stapled Units held by Mr. Lu Shiqing (陸士慶), 28,971,500 Share Stapled Units held by Shanghai Construction Overseas (Holdings) Limited, 27,000,000 Share Stapled Units held by HPRY Holdings Limited and 14,000,000 Share Stapled Units held by Wii Pte. Ltd.

“PRC”	the People’s Republic of China, but for the purpose of this joint announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Preference Shares”	preference shares with a par value of HK\$0.0005 each in the share capital of the Company conferring the rights set out in the articles of association of the Company
“Preference Shareholder(s)”	a person registered at the relevant time in the principal and Hong Kong branch registers of members of the Company as the holder of a Preference Share
“Proposal”	the proposal for the privatisation of Jinmao Hotel and the Company by the Offeror by way of the Scheme and the corresponding cancellation and reduction of the Scheme Units pursuant to Clause 34.2 of the Trust Deed
“Proposal Conditions”	the conditions to the implementation of the Proposal as set out in the section headed “Proposal Conditions” in this joint announcement
“Registered Holders of Share Stapled Units”	persons registered at the relevant time in the register of Share Stapled Units as holders of Share Stapled Units
“Registrar of Companies”	the registrar of companies appointed under the Companies Law
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of the Grand Court”	the Cayman Islands Grand Court Rules (1995) (Revised Edition)
“Scheme”	a scheme of arrangement between the Company and the Scheme Shareholders under Section 86 of the Companies Law (subject to the Proposal Conditions) involving the cancellation and reduction of all the Scheme Shares
“Scheme Document”	the composite scheme document of Jinmao Hotel, the Company and the Offeror to be issued to all Holders of Share Stapled Units containing, inter alia, further details of the Scheme and the Proposal together with the additional information, including but not limited to those specified in the section headed “Despatch of Scheme Document” in this joint announcement
“Scheme Ordinary Share(s)”	the Ordinary Share(s) which form part of the Scheme Share Stapled Units
“Scheme Preference Share(s)”	the Preference Share(s) which form part of the Scheme Share Stapled Units



“Scheme Unit(s)”	the Unit(s) which form part of the Scheme Share Stapled Units
“Scheme Share(s)”	Scheme Ordinary Share(s) and Scheme Preference Share(s)
“Scheme Shareholder(s)”	holders of Scheme Shares
“Scheme Share Stapled Unit(s)”	Share Stapled Units other than those directly or indirectly held by the Offeror as at 4:00 p.m. (Hong Kong time) on the record date to be announced for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price upon the Scheme becoming effective scheme
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Stapled Unit(s)”	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 in Jinmao Hotel;</li> <li>(b) the beneficial interest in a specifically identified Ordinary Share 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 stapled to the Unit</li> </ul>
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Trading Day”	a day on which the Stock Exchange is open for the business of dealings in securities
“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 (金茂(中國)投資管理人有限公司), a company incorporated in Hong Kong with limited liability on 20 March 2014, in its capacity as trustee-manager of Jinmao Hotel
“Unit”	a unit in Jinmao Hotel which confers the rights set out in the Trust Deed

- “Unitholders” a person registered at the relevant time in the register of holder of Units maintained by the Trustee-Manager as the holder of a Unit. Given each Unit is a component comprising a Share Stapled Unit, the Unitholders are the same group of persons as the Holders of Share Stapled Units
- “Unitholders Meeting” the meeting of holders of Scheme Units to be convened and held to consider and approve the Scheme so that the Trustee-Manager will be instructed on how to vote at the Court Meeting(s) of Ordinary Shareholders in respect of the Scheme

By Order of the Board of  
**China Jinmao Holdings Group Limited**  
**NING Gaoning**  
*Chairman*

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

Hong Kong, 12 June 2020

*As at the Announcement Date, the directors of the Offeror are Mr. NING Gaoning (Chairman), Mr. YANG Lin and Mr. AN Hongjun as non-executive directors; Mr. LI Congrui, Mr. JIANG Nan and Mr. SONG Liuyi as executive directors; Mr. SU Xijia and Mr. GAO Shibin as independent non-executive directors.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to Jinmao Hotel and the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Trustee-Manager and the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of the Announcement Date, 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. CHEN Jieping, Dr. XIN Tao and Mr. TSE Yung Hoi as independent non-executive directors.*

*The directors of the Trustee-Manager and the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*