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## **Jinmao Hotel**

### **金茂酒店**

*(As constituted pursuant to a deed of trust on 13 June 2014 under the laws of Hong Kong, the trustee of which is Jinmao (China) Investments Manager Limited)*

**and**

## **Jinmao (China) Hotel Investments and Management Limited**

### **金茂(中國)酒店投資管理有限公司**

*(Registered in the Cayman Islands with limited liability)*

**(Stock Code: 06139)**

## **PROFIT WARNING**

This announcement is made by Jinmao (China) Investments Manager Limited (the “**Trustee-Manager**”, as trustee-manager of Jinmao Hotel (the “**Trust**”)) and Jinmao (China) Hotel Investments and Management Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the joint announcement issued by China Jinmao Holdings Group Limited (the “**Offeror**”), the Trust and the Company on 12 June 2020 (the “**Rule 3.5 Announcement**”) in relation to, among other things, the 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. Capitalized terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

## PROFIT WARNING

The Boards wish to inform the holders of share stapled units (the “**Share Stapled Units**”) jointly issued by the Trust and the Company (the “**Holders of Share Stapled Units**”) and potential investors that, based on the information currently available, the outbreak of the COVID-2019 pandemic (the “**Pandemic**”) at the beginning of 2020 has had a huge impact on the hospitality industry and the entire tourism industry in China, and has also adversely affected the hotel properties of the Group. For the six months ended 30 June 2020, the hotel properties of the Group were greatly impacted by the travel restrictions, social distancing measures and governmental actions in response to the Pandemic, resulting in a significant decrease in the unaudited consolidated revenue and EBITDA of the Group of approximately 50% and 70%, respectively, as compared to the same period of last year (the “**Profit Warning Statement**”).

Holders of Share Stapled Units and potential investors should note that the trust deed constituting the Trust requires the Trustee-Manager to distribute to the Holders of Share Stapled Units 100% of the distributions received by the Trustee-Manager from the Company, which is determined by reference to the audited consolidated profit attributable to the Holders of Share Stapled Units for the relevant financial year or the relevant distribution period. As the Pandemic has had a huge impact on the hotel properties of the Group, the Group may record a negative distributable income for the six months ended 30 June 2020. Accordingly, we expect that no interim distribution for the six months ended 30 June 2020 may be declared payable to the Holders of Share Stapled Units.

As stated in the 2019 annual report of the Company and the Trust, the Group has actively taken measures to control the costs that are not imminent, including the operating and labour costs of the Company, and strengthened its cash flow management. Although such measures have reduced the impact of the Pandemic, given the dynamic nature of the Pandemic situation and its huge impact on the hospitality industry and tourism industry in China, the timing and extent of recovery could not be reasonably estimated at this stage. The Group will continue to closely monitor the development of the Pandemic, pay close attention to cash flow management, integrate existing resources and actively adjust business plans to ensure stability in transition amid such difficult times while making full preparation for business recovery after the Pandemic.

Holders of Share Stapled Units and potential investors are reminded that the information contained in this announcement is based on the records of the Trust and the Company and has not been audited or reviewed by the Company’s independent auditors.

With the publication of the Rule 3.5 Announcement, the offer period has commenced since 12 June 2020. Pursuant to Rule 10 of the Takeovers Code, the Profit Warning Statement constitutes a profit forecast and must be reported on by the financial adviser and auditors or reporting accountants of the Trust and the Company. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules), the Trust and the Company are required to issue this announcement as soon as practicable and given the time constraints, the Trustee-Manager and the Company have encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. The Trustee-Manager and the Company would like to draw the attention of the Holders of Share Stapled Units and potential investors of the Trust and the Company that the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code.

Thus, they are advised to exercise caution in placing reliance on the Profit Warning Statement in assessing the merits and demerits in dealing with the securities of the Trust and the Company. It is expected that if the Scheme Document in connection with the Proposed Privatization referred to in the Rule 3.5 Announcement is despatched earlier than the announcement of its interim results for the six months ended 30 June 2020 of the Trust and the Company, reports from the financial adviser and auditors or reporting accountants of the Trust and the Company on the Profit Warning Statement will be included in the Scheme Document. However, if the interim results announcement for the six months dated 30 June 2020 is published prior to the Scheme Document and the relevant results together with the notes to the financial statements are included in the Scheme Document, such reports are no longer required under the Takeovers Code.

## **WARNING**

**Holders of Share Stapled Units and potential investors of the Trust and the Company should note that the Profit Warning Statement has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Holders of Share Stapled Units and potential investors of the Trust and the Company should therefore exercise caution in placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Proposed Privatization. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Holders of Share Stapled Units and potential investors of the Trust and the Company should exercise caution when dealing in the securities of the Trust and the Company.**

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

Hong Kong, 2 July 2020

*As at the date of this announcement, the directors of the Trustee-Manager and the Company are Mr. LI Congrui (Chairman), Mr. ZHANG Hui and Mr. JIANG Nan as non-executive directors; Mr. TANG Yong as executive director and Chief Executive Officer; and Dr. 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 announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*