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Jinmao Hotel
金茂酒店

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

and

Jinmao (China) Hotel Investments and Management Limited
金茂（中國）酒店投資管理有限公司

(Registered in the Cayman Islands with limited liability)

(Stock code: 06139)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE PROPERTY MANAGEMENT SERVICES
AGREEMENTS WITH JINMAO (LI JIANG)**

Reference is made to the announcement of the Company dated 29 April 2016 in relation to the Property Management Services Agreements entered into between Shanghai Property Management, an indirect wholly-owned subsidiary of the Company, and Jinmao (Li Jiang) (comprising the Residential Property Management Services Agreement and the Sales and Display Units Management Services Agreement).

On 28 April 2017, Shanghai Property Management and Jinmao (Li Jiang) entered into (i) the Renewed Property Management Services Agreements (comprising the Renewed Residential Property Management Services Agreement and the Renewed Sales and Display Units Management Services Agreement) and (ii) the Jinmao (Li Jiang) Supplemental Property Management Services Agreement, both for a period with effect from 1 May 2017 to 31 December 2017 pursuant to which Shanghai Property Management agreed to provide certain property management services in relation to Lijiang Jinmao Whisper of Jade Dragon, a high-end residential recreational property in Lijiang owned by Jinmao (Li Jiang).

Jinmao (Li Jiang) is a wholly-owned subsidiary of China Jinmao, which is the controlling holder of the Share Stapled Units, and is therefore a core connected person of the Company under the Listing Rules.

As the Renewed Property Management Services Agreements, the Jinmao (Li Jiang) Supplemental Property Management Services Agreement, the Dehuan Property Management Services Agreement, the Dehuan Supplemental Property Management Services Agreement and the Sinochem Property Management Framework Agreement are entered into within a 12-month period and are in connection with the provision of property management services by Shanghai Property Management to members of the Sinochem Group, the Directors consider that these agreements are related and shall be aggregated pursuant to Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios (other than the profits ratio) in respect of the aggregate amount for the transactions under the Renewed Property Management Services Agreements, the Jinmao (Li Jiang) Supplemental Property Management Services Agreement, the Dehuan Property Management Services Agreement, the Dehuan Supplemental Property Management Services Agreement and the Sinochem Property Management Framework Agreement is more than 0.1% but less than 5%, the transactions under the Property Management Services Agreements are only subject to the announcement and reporting requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

The current Property Management Services Agreements were entered into between Shanghai Property Management and Jinmao (Li Jiang) for a period of one year with effect from 1 May 2016.

On 28 April 2017, Shanghai Property Management and Jinmao (Li Jiang) entered into (i) the Renewed Property Management Services Agreements (comprising the Renewed Residential Property Management Services Agreement and the Renewed Sales and Display Units Management Services Agreement) and (ii) the Jinmao (Li Jiang) Supplemental Property Management Services Agreement, both for a period with effect from 1 May 2017 to 31 December 2017. The principal terms of the Renewed Property Management Services Agreements and the Jinmao (Li Jiang) Supplemental Property Management Service Agreement are set out below.

2. THE RENEWED RESIDENTIAL PROPERTY MANAGEMENT SERVICES AGREEMENT

Date	28 April 2017
Parties	(a) Shanghai Property Management; and (b) Jinmao (Li Jiang)
Subject matter	The Renewed Residential Property Management Services Agreement was entered into for a period with effect from 1 May 2017 to 31 December 2017.

Under the Renewed Residential Property Management Services Agreement, Shanghai Property Management has agreed to provide certain property management services in relation to the residential community of Lijiang Jinmao Whisper of Jade Dragon. The property management services mainly include (i) maintenance services for common areas, (ii) garden landscape, cleaning and order maintenance services for common areas, and (iii) operational and maintenance services for public facilities and equipment. The transactions under the Renewed Residential Property Management Services Agreement are in the ordinary and usual course of business of the Group.

Term	From 1 May 2017 to 31 December 2017
Consideration and Payment terms	<p>The property management fees to be paid to Shanghai Property Management range from RMB1.87 to RMB2.90 per month per square metre (based on the gross floor area), subject to different types of the residential properties (including both sold and unsold portion).</p> <p>The property management fees are based on arm’s length negotiations and on terms no less favourable to Shanghai Property Management than those offered to other independent third parties.</p> <p>The total consideration under the Renewed Residential Property Management Services Agreement is expected to amount to approximately RMB2 million, which is based on the agreed property management fee and expected demand for property management services from Jinmao (Li Jiang).</p> <p>For the avoidance of doubt, the increase in the expected total consideration is primarily due to the increased demand for property management services for the residential property of Jinmao (Li Jiang).</p> <p>The total consideration paid under the Residential Property Management Services Agreement for the period from 1 May 2016 to 31 December 2016 amounted to approximately RMB0.7 million.</p>

3. THE RENEWED SALES AND DISPLAY UNITS MANAGEMENT SERVICES AGREEMENT

Date	28 April 2017
Parties	<p>(a) Shanghai Property Management; and</p> <p>(b) Jinmao (Li Jiang)</p>
Subject matter	<p>The Renewed Sales and Display Units Management Services Agreement was entered into for a period with effect from 1 May 2017 to 31 December 2017.</p> <p>Under the Renewed Sales and Display Units Management Services Agreement, Shanghai Property Management has agreed to provide certain property management services in relation to the sales and display units of Lijiang Jinmao Whisper of Jade Dragon. The property management services mainly include (i) daily reception and maintenance services, (ii) daily materials management services, and (iii) cleaning and order maintenance services for common areas. The transactions under the Renewed Sales and Display Units Management Services Agreement are in the ordinary and usual course of business of the Group.</p>

Term From 1 May 2017 to 31 December 2017

Consideration and Payment terms The property management fee to be paid to Shanghai Property Management is RMB0.05 million per month, which is based on expected demand for property management services during the term of the agreement and arm's length negotiations and on terms no less favourable to Shanghai Property Management than those offered to other independent third parties. The total consideration under the Renewed Sales and Display Units Management Services Agreement amounts to RMB0.4 million.

For the avoidance of doubt, the decrease in property management fee is primarily due to the decrease in demand of property management services for the sales and display units of Jinmao (Li Jiang).

Under the Sales and Display Units Management Services Agreement, property management fee paid to Shanghai Property Management is RMB0.2 million per month. The total consideration (exclusive of tax) paid for the period from 1 May 2016 to 12 December 2016 under the Sales and Display Units Management Services Agreement amounted to approximately RMB1.5 million.

4. THE JINMAO (LI JIANG) SUPPLEMENTAL PROPERTY MANAGEMENT SERVICES AGREEMENT

Date 28 April 2017

Parties (a) Shanghai Property Management; and
(b) Jinmao (Li Jiang)

Subject matter The supplemental property management services to be provided by Shanghai Property Management for Jinmao (Li Jiang) include (i) cleaning and order maintenance services for non-public areas of both the residential community and the sales and display units of Lijiang Jinmao Whisper of Jade Dragon; (ii) maintenance services for non-public areas of both the residential community and the sales and display units of Lijiang Jinmao Whisper of Jade Dragon; (iii) environmental management services for areas of both the residential community and the sales and display units of Lijiang Jinmao Whisper of Jade Dragon and (iv) materials procurement services per requests of Jinmao (Li Jiang) (the **"Supplemental Property Management Services"**).

For the avoidance of doubt, the Supplemental Property Management Services are not included in the scope of services under Renewed Property Management Services Agreements.

Under the Jinmao (Li Jiang) Supplemental Property Management Services Agreement, Shanghai Property Management and Jinmao (Li Jiang) will enter into separate agreements in relation to the provision of each of the Supplemental Property Management Services.

Term From 1 May 2017 to 31 December 2017

Proposed caps The caps of the maximum aggregate amounts payable under the Jinmao (Li Jiang) Supplemental Property Management Services Agreement are set out below:

**From
1 May 2017 to
31 December 2017**

Proposed caps RMB1 million

The annual caps in respect of the Jinmao (Li Jiang) Supplemental Property Management Services Agreement are estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the Supplemental Property Management Services by Jinmao (Li Jiang); and (iii) the prevailing market prices for relevant property management services.

Pricing Policy The service fees are determined by the parties with reference to the quotations of similar property management services of the comparable properties in the market in a fair and reasonable manner through arm's length negotiation. The standard of the fees charged by Shanghai Property Management for the provision of property management services to Jinmao (Li Jiang) are fair and on terms no less favourable to Shanghai Property Management than those offered and reasonable to other independent third parties.

5. INFORMATION IN RELATION TO THE GROUP, SHANGHAI PROPERTY MANAGEMENT AND JINMAO (LI JIANG)

The Group

Jinmao Hotel is a fixed single investment trust with an initial focus on the hospitality industry in the PRC. The Group primarily owns and invests in a portfolio of hotels with diversified revenue sources and customer mix from a portfolio of high quality hotels and commercial properties, comprising eight hotels and Jin Mao Tower, a mixed-use development. The properties are all located in prime, strategic locations in top-tier cities or tourist hot spots in the PRC and comprise high quality hotels and commercial property.

Shanghai Property Management

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

Jinmao (Li Jiang)

Jinmao (Li Jiang) is a wholly-owned subsidiary of China Jinmao, which is the controlling holder of the Share Stapled Units, and is therefore a core connected person of the Company under the Listing Rules.

Jinmao (Li Jiang) is principally engaged in investing in high-quality properties in Lijiang, the PRC.

6. REASONS FOR, AND BENEFITS OF, THE RENEWED PROPERTY MANAGEMENT SERVICES AGREEMENTS AND THE JINMAO (LI JIANG) SUPPLEMENTAL PROPERTY MANAGEMENT SERVICES AGREEMENT

The Directors are of the view that it is in the interests of the Group to expand Shanghai Property Management's business to the high-end residential recreational property management services by leveraging on its strengths in hotel management. The Renewed Property Management Services Agreements and Jinmao (Li Jiang) Supplemental Property Management Services Agreement in relation to Lijiang Jinmao Whisper of Jade Dragon will enable Shanghai Property Management to diversify its revenue sources, to consolidate the property portfolio it manages, and to attract new customers for its property management services business in Yunnan Province, the PRC.

7. LISTING RULES IMPLICATIONS

Jinmao (Li Jiang) is a wholly-owned subsidiary of China Jinmao, which is the controlling holder of the Share Stapled Units, and is therefore a core connected person of the Company under the Listing Rules.

As the Renewed Property Management Services Agreements, the Jinmao (Li Jiang) Supplemental Property Management Services Agreement, the Dehuan Property Management Services Agreement, the Dehuan Supplemental Property Management Services Agreement and the Sinochem Property Management Framework Agreement are entered into within a 12-month period and are in connection with the provision of property management services by Shanghai Property Management to members of the Sinochem Group, the Directors consider that these agreements are related and shall be aggregated pursuant to Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios (other than the profits ratio) in respect of the aggregate amount for the transactions under the Renewed Property Management Services Agreements, the Jinmao (Li Jiang) Supplemental Property Management Services Agreement, the Dehuan Property Management Services Agreement, the Dehuan Supplemental Property Management Services Agreement and the Sinochem Property Management Framework Agreement is more than 0.1% but less than 5%, the transactions under the Property

Management Services Agreements are only subject to the announcement and reporting requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

8. DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) consider that the terms of each of the Renewed Property Management Services Agreements and the Jinmao (Li Jiang) Supplemental Property Management Services Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the holders of the Share Stapled Units as a whole.

Mr. Li Congrui, Mr. Jiang Nan and Ms. Lan Haiqing had declared their interests in the transactions under the Renewed Property Management Services Agreements and the Jinmao (Li Jiang) Supplemental Property Management Services Agreement by virtue of their relationship with China Jinmao, and each of them have abstained from voting on the Renewed Property Management Services Agreements and the Jinmao (Li Jiang) Supplemental Property Management Services Agreement. Save as disclosed above, none of the Directors has a material interest in the Renewed Property Management Services Agreements and the Jinmao (Li Jiang) Supplemental Property Management Services Agreement and the transactions contemplated thereunder, and therefore no other Director has abstained from voting on the relevant resolutions of the respective Boards in respect of the Renewed Property Management Services Agreements and the Jinmao (Li Jiang) Supplemental Property Management Services Agreement.

9. DEFINITIONS

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

“Boards”	the boards of directors of the Trustee-Manager and the Company
“China Jinmao”	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司), a company incorporated in Hong Kong with limited liability on 2 June 2004 whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00817) and a controlling holder of the Share Stapled Units, and therefore a core connected person of the Company
“Company”	Jinmao (China) Hotel Investments and Management Limited (金茂(中國)酒店投資管理有限公司), a company incorporated in the Cayman Islands
“Dehuan Property Management Services Agreement”	the property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan Property Co., Ltd. (上海德寰置業有限公司) on 29 April 2016, details of which are set out in the announcement of the Company and the Trust dated 29 April 2016

“Dehuan Supplemental Property Management Services Agreement”	the supplemental property management services agreement entered into between Shanghai Property Management and Shanghai Dehuan Property Co., Ltd. (上海德寰置業有限公司) on 22 August 2016, details of which are set out in the announcement of the Company and the Trust dated 22 August 2016
“Directors”	the directors of the Company and the Trustee-Manager
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinmao Hotel”	Jinmao Hotel (金茂酒店), as constituted pursuant to the Trust Deed
“Jinmao (Li Jiang)”	Jinmao (Li Jiang) Real Estate Company Limited (金茂(麗江)置業有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of China Jinmao, and therefore a core connected person of the Company
“Jinmao (Li Jiang) Supplemental Property Management Services Agreement”	the supplemental property management services agreement entered into between Shanghai Property Management and Jinmao (Li Jiang) on 28 April 2017, pursuant to which Shanghai Property Management agreed to provide the Supplemental Property Management Services to Jinmao (Li Jiang)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Property Management Services Agreements”	comprising the Residential Property Management Services Agreement and the Sales and Display Units Management Services Agreement
“Renewed Property Management Services Agreements”	comprising the Renewed Residential Property Management Services Agreement and the Renewed Sales and Display Units Management Services Agreement
“Renewed Residential Property Management Services Agreement”	the residential property management services agreement entered into between Shanghai Property Management and Jinmao (Li Jiang) on 28 April 2017
“Renewed Sales and Display Units Management Services Agreement”	The sales and display units management services agreement entered into between Shanghai Property Management and Jinmao (Li Jiang) on 28 April 2017

“Residential Property Management Services Agreement”	the property management agreement entered into between Shanghai Property Management and Jinmao (Li Jiang) on 29 April 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Sales and Display Units Management Services Agreement”	the property management agreement entered into between Shanghai Property Management and Jinmao (Li Jiang) on 29 April 2016
“Shanghai Property Management”	Jin Mao (Shanghai) Property Management Co., Ltd. (金茂(上海)物業服務有限公司), a company incorporated in the PRC with limited liability on 18 September 1995 and an indirect wholly-owned subsidiary of the Company
“Share Stapled Units”	<p>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:</p> <ul style="list-style-type: none"> (a) a Unit; (b) the beneficial interest in a specifically identified ordinary share of the Company linked to the Unit and held by the Trustee-Manager as legal owner (in its capacity as trustee-manager of Jinmao Hotel); and (c) a specifically identified preference share of the Company stapled to the Unit
“Sinochem Group”	Sinochem Group (中國中化集團公司), a state-owned enterprise established in the PRC on 11 August 1981 and the ultimate controlling holder of the Share Stapled Units of the Company, and therefore a core connected person of the Company

“Sinochem Property Management Framework Agreement”	the property management framework agreement entered into between Shanghai Property Management and Sinochem International Corporation (中化國際(控股)股份有限公司) on 22 August 2016
“Supplemental Property Management Services”	as defined in the section headed “The Jinmao (Li Jiang) Supplemental Property Management Services Agreement” of this announcement
“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), the trustee-manager of Jinmao Hotel
“Unit”	a unit in Jinmao Hotel which confers the rights set out in the Trust Deed

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

Hong Kong, 28 April 2017

As at the date of this announcement, the directors of the Trustee-Manager and the Company are Mr. LI Congrui (Chairman), Mr. JIANG Nan and Ms. LAN Haiqing as Non-executive Directors; Mr. ZHANG Hui as Executive Director and Chief Executive Officer; and Dr. CHUNG Shui Ming Timpson, Dr. CHEN Jieping and Dr. XIN Tao as Independent Non-executive Directors.