

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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 TRANSACTION  
IN RELATION TO THE DECORATION SERVICES FRAMEWORK  
AGREEMENT – INCREASE OF ANNUAL CAP FOR 2017**

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 1 June 2016 in relation to the Decoration Services Framework Agreement entered into between the Company and Shanghai Decoration.

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

On 15 August 2017, the Company and Shanghai Decoration entered into the Supplemental Decoration Services Framework Agreement to increase the annual cap for the continuing connected transactions under the Decoration Services Framework Agreement.

As the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the Revised Annual Cap for the transactions contemplated under the Supplemental Decoration Services Framework Agreement is more than 0.1% but less than 5%, such transactions are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company (formerly known as Jinmao (China) Investments Holdings Limited) dated 1 June 2016 (the “**Announcement**”) in relation to the Decoration Services Framework Agreement entered into between the Company and Shanghai Decoration. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

## **SUPPLEMENTAL DECORATION SERVICES FRAMEWORK AGREEMENT**

On 15 August 2017, the Company and Shanghai Decoration entered into the supplemental agreement to the Decoration Services Framework Agreement (the “**Supplemental Decoration Services Framework Agreement**”), pursuant to which the parties agreed to increase the annual cap for the continuing connected transactions contemplated under the Decoration Services Framework Agreement.

Under the Decoration Services Framework Agreement, members of the Group and Shanghai Decoration will enter into separate agreements in relation to the provision of Decoration Services for relevant projects (the “**Decoration Services Agreements**”). The duration of each Decoration Services Agreement shall not exceed three years. The decoration services to be provided by Shanghai Decoration to the Group include, but are not limited to, the renovation, recovery and relocation works for offices, hotel rooms and other related facilities (the “**Decoration Services**”).

Pursuant to the Supplemental Decoration Services Framework Agreement, the cap of the maximum aggregate amounts payable under the Decoration Services Framework Agreement for the period from 1 January 2017 to 31 December 2017 will be revised from RMB19.31 million to RMB35.00 million (the “**Revised Annual Cap**”). Save for the Revised Annual Cap, other terms remain unchanged.

For the period from 1 June 2016 to 31 December 2016 and from 1 January 2017 to 30 June 2017, respectively, the aggregate amount paid under the Decoration Services Framework Agreement amounted to approximately RMB11.79 million and RMB4.10 million, respectively.

As of the date of this announcement, the total amount paid or payable to Shanghai Decoration by the Group under the Decoration Services Framework Agreement has not exceeded the existing annual cap for the year ending 31 December 2017 as stated in the Announcement.

The Revised Annual Cap was estimated with reference to (i) the nature of the transactions; (ii) the anticipated demand for the Decoration Services by the Group; (iii) historical quotations submitted by various decoration services providers invited by the Group for the bidding process; (iv) the prevailing market prices for relevant decoration services; and (v) the existing business scale and operations of Shanghai Decoration.

Members of the Group generally source Decoration Services through a bidding process where both independent third parties and Shanghai Decoration are invited to submit bids. Therefore, the prices and terms of the Decoration Services Agreements are subject to among other things, the actual demand for the Decoration Services by the members of the Group and the bidding results.

## **INFORMATION IN RELATION TO THE GROUP, CHINA JINMAO AND SHANGHAI DECORATION**

### **The Group**

Jinmao Hotel (formerly known as Jinmao Investments) 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 Decoration**

Shanghai Decoration is a wholly-owned subsidiary of China Jinmao, which is the controlling holder of the Share Stapled Units of the Company, and is therefore a core connected person of the Company under the Listing Rules. Shanghai Decoration is principally engaged in provision of decoration services, including but not limited to the renovation and interior design works for hotel rooms, offices and other related facilities.

### **REASONS FOR REVISION OF THE ANNUAL CAP**

Owing to better market conditions, there exist more business opportunities and hence higher demand for Decoration Services by the Company from Shanghai Decoration. In particular, the Group has renovation plans for Grand Hyatt Shanghai and Jin Mao Tower this year, which the Group didn't expect at the time it entered into the Decoration Services Framework Agreement. Among them, part of the renovation work for Jin Mao Tower has been initially carried out in the first half of 2017. Shanghai Decoration was chosen to provide Decoration Services for the renovation of Grand Hyatt Shanghai and Jin Mao Tower, respectively, through separate bidding process. Therefore, the Company expects that the aggregate amounts payable under the Decoration Services Framework Agreement will exceed the original annual cap for the year ending 31 December 2017 based on the anticipated higher demand for Decoration Services. The Directors believe that the Supplemental Decoration Services Framework Agreement is consistent with the businesses and commercial objectives of the Group and that the transactions to be carried out under the Supplemental Decoration Services Framework Agreement are expected to increase the revenue and profitability of the Group. The Directors (including the independent non-executive Directors) consider that (i) the transactions contemplated under the Supplemental Decoration Service Framework Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, and on the terms which are no less favorable than those available from independent third party providers of similar services; (ii) the terms of the Supplemental Decoration Service Framework Agreement and the Revised Annual Cap thereunder are fair and reasonable and in the interests of the Company and the holders of Share Stapled Units as a whole.

### **LISTING RULES IMPLICATIONS**

Shanghai Decoration 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. Accordingly, the Supplemental Decoration Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the Revised Annual Cap for the transactions contemplated under the Supplemental Decoration Services Framework Agreement is more than 0.1% but less than 5%, such transactions are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

Mr. Li Congrui, Mr. Jiang Nan and Ms. Lan Haiqing had declared their interests in the transactions under the Supplemental Decoration Services Framework Agreement by virtue of their relationship with China Jinmao, and each of them had abstained from voting on the resolutions of the Boards with respect to the Supplemental Decoration Services Framework Agreement. Save as disclosed above, none of any other Directors has abstained from voting on the resolutions of the respective Boards approving the transactions under Supplemental Decoration Services Framework Agreement.

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

Hong Kong, 15 August 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.*