



IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD ¹⁷⁰ OF 2020 ()

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES LAW (2020 REVISION)
AND IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

AND IN THE MATTER OF JINMAO (CHINA) HOTEL INVESTMENTS AND MANAGEMENT
LIMITED



PETITION



To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of JINMAO (CHINA) HOTEL INVESTMENTS AND MANAGEMENT
LIMITED shows as follows:

1. The object of this Petition is to seek:
 - a. the sanction of the Court, pursuant to section 86 of the Companies Law (2020 Revision) (the “**Companies Law**”), to a proposed scheme of arrangement (the “**Scheme of Arrangement**”) between the petitioner, Jinmao (China) Hotel Investments and Management Limited (金茂(中國)酒店投資管理有限公司) (the “**Company**”), and the Scheme Shareholders as defined in the Scheme of Arrangement contained in a scheme document (the “**Scheme Document**”), a draft of which is attached as Exhibit “TYH-2” to the first affirmation of Tse Yung Hoi which will be sent to all the Scheme Shareholders; and
 - b. the confirmation of the Court, pursuant to section 15 of the Companies Law, of the intended reduction of the issued share capital (the “**Capital Reduction**”) of the Company consequent upon the cancellation and extinguishment of the Scheme Shares (as defined below) pursuant to the Scheme of Arrangement which is expected to be approved by a special resolution of the shareholders to be passed at an extraordinary general meeting (“**EGM**”) of the Company to be held immediately after the Court Meetings referred to herein.

Information of the Company

2. The Company is an investment holding company and, together with its' subsidiaries (collectively, the "**Group**") is principally an asset owner of hotels and commercial property in the People's Republic of China.
3. The Company was incorporated under the name of Wise Pine Limited under the laws of the British Virgin Islands on 18 January 2008 and registered by way of continuation in the Cayman Islands under the Companies Law as an exempted company with registration number OI-279468 on 21 March 2014. On 21 March 2014 the Company changed its name to "Jinmao (China) Investments Holdings Limited (金茂(中國)投資控股有限公司)". On 2 June 2016, the Company changed its name to "Jinmao (China) Hotel Investments and Management Limited (金茂(中國)酒店投資管理有限公司)".
4. As an exempted company, the objects for which the Company was established are unrestricted, save for generally applicable statutory restrictions on its powers to trade in the Cayman Islands and is otherwise capable of exercising all the functions of a natural person of full capacity as provided by section 27(2) of the Companies Law.
5. The registered office of the Company is situated at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in The Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong PRC**") is at Rooms 4702-03, 47th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong PRC.

Share Capital and Listing

6. As at the date of this Petition (the "**Latest Practicable Date**"), the Company had an authorised share capital of HK\$5,000,000 divided into 5,000,000,000 ordinary shares of par value of HK\$0.0005 each (the "**Ordinary Shares**"), 2,000,000,000 of which have been issued and fully paid or credited as fully paid and 5,000,000,000 preference shares of par value HK\$0.0005 each (the "**Preference Shares**", along with Ordinary Shares, the "**Shares**") 2,000,000,000 of which have been issued and fully paid or credited as fully paid.
7. The Company is part of a business trust established in 2014. The business trust issues share stapled units (the "**Share Stapled Units**", as described below), comprising (i)

Ordinary Shares, (ii) Preference Shares, and (iii) units (the “**Units**”) in a Hong Kong PRC trust established under the laws of Hong Kong PRC (“**Jinmao Hotel**”) pursuant to a trust deed made between Jinmao (China) Investments Manager Limited (the “**Trustee Manager**”) and the Company dated 13 June 2014 (as amended on 9 June 2015 and further amended on 1 June 2016) (the “**Trust Deed**”). Jinmao Hotel is a fixed single investment trust, which may only invest in the securities and other interests in a single entity, namely the Company. The Share Stapled Units are the subject of the privatisation proposal (the “**Proposal**”) of which the Scheme of Arrangement forms part. Whilst the Units, Ordinary Shares and Preference Shares constituting the Share Stapled Units must stand and fall together due to the provisions of the memorandum and articles of association of the Company (the “**M&As**”) and the Trust Deed, the Scheme of Arrangement is only in respect of the Ordinary Shares and Preference Shares. The Units constituting the remainder of each Share Stapled Unit will be dealt with in accordance with the provisions of the Trust Deed.

8. 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 held by the registered holder which is stapled to the Unit. Under the Trust Deed and the M&As, 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.
9. To comply with the meeting requirements of the Trust Deed and the M&As, a separate meeting (the “**Unitholders’ Meeting**”) of the holders of the Units (the “**Unitholders**”) will be required to be held immediately before the Court Meeting of the holder(s) of Ordinary Shares to enable the Unitholders (other than China Jinmao Holdings Group Limited (formerly known as Franshion Properties (China) Limited) (the “**Offeror**”)) to pass a resolution instructing the Trustee Manager, as holder of the Ordinary Shares linked to such Units, on how to vote at the Court Meeting of the holder(s) of Ordinary Shares (the “**Court Meeting of Scheme Ordinary Shareholder**”). Accordingly:
 - a. each 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 Ordinary Shares) will exercise its voting rights in respect of the Ordinary Shares (other than those directly or indirectly held by the Offeror) (the “**Scheme Ordinary Shares**”) at

the relevant Court Meeting of Scheme Ordinary Shareholder as instructed by the votes cast by the Units (other than those directly or indirectly held by the Offeror) (the "**Scheme Units**") to which the Ordinary Shares are linked at the Unitholders' Meeting; and

- c. the votes cast by the holders of Preference Shares (other than those directly or indirectly held by the Offeror) (the "**Scheme Preference Shares**") at the Court Meeting of the Scheme Preference Shareholders (the "**Court Meeting of Scheme Preference Shareholders**", along with the Court Meeting of Scheme Ordinary Shareholder, the "**Court Meetings**") must be cast in the same way as per their votes in the Unitholders Meeting.
10. In respect of the EGM, a holder of Share Stapled Units shall cast a single vote in respect of that Share Stapled Unit for the resolution to be considered at the EGM.
11. As at the Latest Practicable Date:
- a. the Offeror was the registered holder of 1,335,319,000 Share Stapled Units, representing approximately 66.77% of the total Share Stapled Units in issue. These do not form part of the Share Stapled Units the subject of the Scheme of Arrangement;
 - b. the Offeror Concert Parties were the registered holders of an aggregate of 834,500 Share Stapled Units, representing approximately 0.04% of the total Share Stapled Units in issue. These form part of the Scheme Share Stapled Units;
 - c. members of the DBS Group, being a concert party of the Offeror, did not legally or beneficially own, control or had direction over any Share Stapled Units, save for the 24,250,000 Share Stapled Units held by DBS Bank on a proprietary basis acting in the capacity of an exempt principal trader recognized by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof for the purposes of the Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**"), representing approximately 1.21% of the total Share Stapled Units in issue. These form part of the Scheme Share Stapled Units. However, any Share Stapled Units held by DBS Bank on a proprietary basis in its capacity as an exempt principal trader (i.e., the 24,250,000 Share Stapled Units) shall not be entitled to vote at the Unitholders' Meeting and the Court Meetings to approve

the Proposal and the Scheme under the Takeovers Code. For the avoidance of doubt, Share Stapled Units held by any member of the DBS Group in the capacity of exempt principal trader for and on behalf of non-discretionary investment clients are also not entitled to be voted at the Unitholders' Meeting and the Court Meetings in accordance with the directions of such non-discretionary investment clients unless the Takeovers Bulletin No. 53 Requirements (as defined in the Scheme Document) are complied with; and

- d. the independent holders of share stapled units held in aggregate 663,846,500 Share Stapled Units (excluding those held by the Offeror and the Offeror Concert Parties but 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.
12. The Company did not have any warrants, options, derivatives, convertible securities or other securities in issue which are convertible into Share Stapled Units as at the Latest Practicable Date.
 13. The Offeror has given an irrevocable undertaking (the "**Offeror Irrevocable Undertaking**") to, among other things, exercise all voting rights attached to the Share Stapled Units held or owned by it (the "**Offeror Share Stapled Units**") at the EGM in favour of all the resolutions to approve the Scheme of Arrangement and any matters in connection with the Scheme of Arrangement (where applicable).
 14. The Offeror has received an irrevocable undertaking (the "**PU Irrevocable Undertakings**") from each of Mr. Tong JinQuan (himself and through Wealthy Fountain Holdings INC, a company wholly owned by Mr. Tong JinQuan), Wealthy Fountain Holdings INC., Mr. Lu Shiqing, Camden Medical Centre Private Limited, Shanghai Construction Overseas (Holdings) Limited, HPRY Holdings Limited, Perpetual (Asia) Limited (in its capacity as the trustee of Ho Lee Group Trust) and Wui Pte. Ltd. (collectively, 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 Share Stapled Units held or owned by it (the "**Participating Units**") at the Unitholders Meeting, the Court Meetings and the EGM in favour of all the resolutions to approve the Proposal and the Scheme of Arrangement and any matters in connection with the Proposal and the Scheme of Arrangement (where applicable). The 503,266,000 Participating Units held in aggregate by the Participating Unitholders, which are the subject of the PU Irrevocable

Undertakings, represented approximately 25.16% of the total Share Stapled Units in issue as at Latest Practicable Date.

15. Further, each Participating Unitholder has undertaken including, without limitation, not to (i) sell, transfer or otherwise dispose of the Participating Units held or owned by it/him or (ii) enter into any arrangement which would or might impede giving effect to the Proposal (including the Scheme of Arrangement) or the undertaking given by it/him under the relevant PU Irrevocable Undertaking (as the case may be)).
16. On the assumption that there is no other change in holdings of Share Stapled Units in the Company from the Latest Practicable Date up to the Effective Date, the profile of the holders of Share Stapled Units ("**Holders of Share Stapled Units**") and, accordingly, the profile of the holders of Preference Shares of the Company (the "**Shareholders**") as at the Effective Date is expected to be as follows:

Holders of Share Stapled Units	Number of Share Stapled Units	%
Offeror	1,335,319,000	66.77
Offeror Concert Parties		
Mr. Li Congrui	350,000	0.02
Mr. Jiang Nan	484,500	0.02
<i>Total of the Offeror Concert Parties</i>	<i>834,500</i>	<i>0.04</i>
Total of the Offeror and the Offeror Concert Parties	1,336,153,500	66.81
Participating Unitholders		
童錦泉 (Tong JinQuan) ⁽¹⁾	190,643,500	9.53
陸士慶 (Lu Shiqing)	160,101,000	8.01

Camden Medical Centre Private Limited	60,850,000	3.04
Shanghai Construction Overseas (Holdings) Limited	28,971,500	1.45
HPRY Holdings Limited ⁽²⁾	27,000,000	1.35
Ho Lee Group Trust ⁽³⁾	21,700,000	1.09
Wii Pte. Ltd. ⁽²⁾	14,000,000	0.70
Total of the Participating Unitholders	503,266,000	25.16
Independent Holders of Share Stapled Units excluding Participating Units	<u>160,580,500</u>	<u>8.03</u>
Total	<u>2,000,000,000</u>	<u>100.00</u>

Note: 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. Perpetual (Asia) Limited holds these 21,700,000 Share Stapled Units in its capacity as the trustee of Ho Lee Group Trust.

4. All percentages in the above table are approximations.

Information of the Offeror

17. The Offeror is a company incorporated under the laws of Hong Kong PRC on 2 June

2004. Its shares are listed on the Main Board of the Stock Exchange of Hong Kong. Its registered office is at Rooms 4702-03, 47/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong PRC. As of the Latest Practicable Date, the Offeror is wholly-owned by Sinochem Corporation, which is wholly owned by Sinochem Group Co., Ltd. (中國中化集團有限公司), a state-owned enterprise incorporated in the PRC ("**Sinochem Group**"), the ultimate controlling shareholder of the Company, which indirectly holds approximately 35.04% of the total number of issued shares of the Company. The Offeror is the platform enterprise of Sinochem Group 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. Sinochem Group is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council ("**SASAC**"). Therefore, the ultimate controlling shareholder of the Offeror is the SASAC.

Withdrawal of Listing

18. Upon completion of the Proposal, the Company will become a wholly-owned subsidiary of the Offeror and the listing of the Share Stapled Units will be withdrawn from the Stock Exchange.

Total Consideration and Financial Resources

19. On the assumption that no further Share Stapled Units are issued, on or before the Scheme Record Date, the amount of cash required to implement the Proposal (including the Scheme of Arrangement) is approximately HK\$3,190.5 million.
20. The Offeror intends to finance the entire cash amount required to implement the Proposal (including the Scheme of Arrangement) through external debt financing in the amount of up to HK\$3,300 million provided by CMB Wing Lung Bank Limited.
21. DBS Asia Capital Limited, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal (including the Scheme of Arrangement) in accordance with its terms.

Purpose of the Scheme of Arrangement

22. The purpose of the Scheme of Arrangement is to privatise the Company so that the Offeror will own 100% of the Company. This will be achieved by the steps summarised

in paragraph 23, along with the cancellation of the corresponding Units in Jinmao Hotel constituting the Scheme Share Stapled Units.

Principal Features of the Scheme of Arrangement

23. The principal features of the Scheme of Arrangement are the Capital Reduction by the cancellation and extinguishment of the Shares held by the Scheme Shareholders (the “**Scheme Shares**”) pursuant to the Scheme of Arrangement, in consideration of which (i) the Holders of Scheme Share Stapled Units will receive HK\$4.80 in cash for each Scheme Share Stapled Unit (the “**Cancellation Price**”), and (ii) the Trustee Manager will receive no consideration for the cancellation of the Ordinary Shares registered in its name constituting part of the Scheme Share Stapled Units. The Scheme of Arrangement is conditional upon the Capital Reduction becoming effective.
24. Simultaneous with the implementation of the Scheme, on the Effective Date the corresponding Units comprising the Scheme Share Stapled Units will also be cancelled in accordance with the Trust Deed.

Approval of the Scheme of Arrangement

25. After careful consideration, the Board of Directors of the Company (with Li Congrui, Zhang Hui and Jiang Nan abstaining from voting) believes that the terms of the Scheme of Arrangement are fair and reasonable and that the implementation of the Scheme of Arrangement is in the best interests of the holders of the Shares as a whole. Accordingly, the Board of Directors of the Company (with Li Congrui, Zhang Hui and Jiang Nan abstaining from voting) unanimously approved the Scheme of Arrangement.
26. Under the Takeovers Code, persons deemed to be acting in concert with the Offeror in connection with the implementation of the Scheme of Arrangement who are also Scheme Shareholders shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong) for the purposes of satisfying the voting requirements of the Takeovers Code.
27. The Company intends to make an application for directions herein for declarations and orders that, among other things:
 - a. the relevant classes of shareholders affected by the Scheme of Arrangement are (i) the holder of the Ordinary Shares constituting the Scheme Share Stapled Units, and (ii) the holders of the Preference Shares constituting the Scheme Share Stapled Units, which shall vote as separate classes;

- b. the Company be at liberty to a convene a meeting of (i) the holder of the Ordinary Shares constituting the Scheme Share Stapled Units, and (ii) the holders of the Preference Shares constituting the Scheme Share Stapled Units, which shall vote as separate classes (the “**Court Meetings**”) for the purpose of considering and, if thought fit, approving (with or without modification(s)) the Scheme of Arrangement;
 - c. directions as to the mode of delivery of an explanatory statement and proxy form to the Scheme Shareholders;
 - d. the appointment of a chairman of the Court Meetings and for the conduct of the Court Meetings generally; and
 - e. directions as to the treatment of (i) Ordinary Shares held by the Trustee-Manager, and (ii) Preference Shares held by custodians, clearing houses and other nominees for the purposes of the “majority in number” calculation.
28. The Company proposes to convene the Court Meetings in accordance with section 86 of the Companies Law to be held on or around 10 September 2020 at which the following resolution (with such amendment(s) as may be approved at the Court Meetings) will be considered (each of the capitalised terms referred to in the resolution below are defined in the Scheme Document):
- “THAT a scheme of arrangement (the “**Scheme of Arrangement**”) dated [] 2020 between the Company and the Scheme Shareholders (as defined in the Scheme of Arrangement) in the form of the print thereof which has been produced to this Court Meeting and, for the purpose of identification signed by the chairman of this Court Meeting, or in such other form and on such terms and conditions or may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”*
29. Article 10.4 of the Articles of Association of the Company provides as follows:
- “The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Law, and the applicable provisions of the Trust Deed.”*
30. The Company intends to convene the EGM to take place immediately after the Court Meetings at which it is intended to submit a special resolution to approve (i) the Capital Reduction pursuant to the Scheme of Arrangement, (ii) the cancellation of Units

pursuant to the Trust Deed, and (iii) the withdrawal of listing of the Company. This resolution is set out below.

SPECIAL RESOLUTION

1. **THAT:**

- (a) pursuant to the scheme of arrangement dated [] 2020 (the “**Scheme of Arrangement**”) between the Company and holders of the Scheme Shares (as defined in the Scheme of Arrangement) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme of Arrangement), the issued share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement);
- (b) the cancellation of the Scheme Units (as defined in the Scheme of Arrangement) be and is hereby approved; and any one of the directors of the Trustee-Manager and the Company be and is hereby authorised to do all acts and things considered by him/her to be necessary or desirable in connection with the cancellation of the Scheme Units;
- (c) subject to the Scheme of Arrangement becoming effective, the withdrawal of the listing of the share stapled units of Jinmao Hotel and the Company from The Stock Exchange of Hong Kong Limited be and is hereby approved and any one of the directors of the Trustee-Manager and the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the share stapled units of Jinmao Hotel and the Company; and
- (d) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement, the reduction of issued share capital of the Company pursuant to the Scheme of Arrangement and the Proposal (as defined in the document of which the notice of this resolution forms part), including (without

limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of issued share capital of the Company which the Grand Court of the Cayman Islands may see fit to impose.”

31. The Scheme of Arrangement and the Capital Reduction would not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or alteration of the underlying assets, business operations, management or financial position of the Company and would have no effect on the creditors of the Company. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business. It is therefore proposed to dispense with preparing a list of creditors.

32. The form of Minute proposed to be registered in relation to the Capital Reduction pursuant to the Scheme of Arrangement is as follows:

*“The issued share capital of Jinmao (China) Hotel Investments and Management Limited was by virtue of a Special Resolution passed on 2020 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 2020 reduced from HK\$2,000,000 divided into 2,000,000,000 ordinary shares and 2,000,000,000 preference shares of par value of HK\$0.0005 each to HK\$1,335,319 divided into 1,335,519,000 ordinary shares and 1,335,519,000 preference shares of par value of HK\$0.0005 each. (the “**Capital Reduction**”).*

The authorised share capital of the Company, on the registration of this Minute, is HK\$5,000,000 divided into 5,000,000,000 ordinary shares of par value of HK\$0.0005 each and 5,000,000,000 preference shares of par value of HK\$0.0005 each.”

33. The completed Minute will be provided to the Grand Court before the sanction of the Capital Reduction pursuant to the Scheme of Arrangement by the Grand Court.

34. Your petitioner, the Company therefore prays as follows:

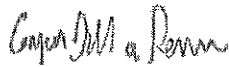
(i) That the Scheme of Arrangement to be approved at the Court Meetings to be convened and held at the direction of this Honourable Court be sanctioned by this Honourable Court so as to be binding on the Company, the Scheme Shareholders and the Offeror.

(ii) That the Capital Reduction be confirmed and that the above mentioned Minute be approved by the Court.

- (iii) That the preparation of a list of creditors be dispensed with.
- (iv) That to this end, all necessary inquiries and directions may be made and given.
- (v) Such further or other order or relief as this Honourable Court shall see fit.

And your Petitioner will ever pray etc.

Dated this 27th day of July 2020



Conyers Dill & Pearman
Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on Jinmao (China) Hotels Investment and Management Limited at its registered office located at Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its said Attorneys-at-Law, Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the _____ day of
2020, will be heard at the Law Courts, George Town, Grand Cayman on the _____ day of
2020 at _____ a.m. or as soon thereafter as the Petition can be heard.