



For Immediate Release



SHIMAO PROPERTY HOLDINGS PARTNERS WITH STARWOOD CAPITAL GROUP TO CREATE NEW HOTEL JOINT VENTURE IN CHINA

SHANGHAI and MIAMI, FLORIDA – March 29, 2017 – Shimao Property Holdings Limited (SEHK:813), a leading Chinese property developer and operator, and Starwood Capital Group, a leading global private investment firm, announced today that controlled affiliates of the two companies will establish a new hotel joint venture based in China. Under the terms of the agreement, the venture will be owned 51% by Shimao and 49% by Starwood Capital Group.

The joint venture plans to focus on developing, operating, and branding assets in the rapidly growing hotel market in China via both management contracts and leasing agreements. A partnership between two companies offering such deep real estate expertise represents a milestone in the Chinese hospitality sector.

“The close cooperation with Starwood Capital Group will help our growing hospitality platform and exciting new brands take advantage of the tremendous opportunities that exist in China, allowing the group to fulfill its potential,” said Tyrone Tang, General Manager of Shimao Hotels and Resorts, a subsidiary of Shimao Property Holdings Limited that operates, manages and develops hotels and resorts. “The joint venture will focus on maximizing the benefits that can be derived from the intangible assets, consolidating the group’s sustainable commercial development while ensuring profitability, and providing the most effective support for partners. We believe that a combination of Shimao Hotels and Resorts’ strong management and comprehensive understanding of the Chinese hospitality industry, together with Starwood Capital Group’s financial strength and global lodging experience, will create win-win results.”

Shimao Hotels and Resorts’ diversified domestic hotel portfolio consists of the MiniMax, MiniMax Premier and Yu family of brands, which encompasses the Yu Resort, Yuluxe Hotel, Yu Hotel and Yu Residence brands. The MiniMax (3-star) and MiniMax Premier (4-star) brands offer a design-forward product at an affordable price to the growing class of Chinese millennials that are actively seeking out unique lodging experiences. The 5-star upper upscale Yu Brands will infuse traditional Chinese elements into state-of-the art accommodations.

Starwood Capital Group, one of the world’s leading investment firms focused on real estate, will also provide strong financial and operational support for Shimao Hotels and Resorts’ future hotel expansion plans in China and other key Asia-Pacific regions, particularly markets that have witnessed unprecedented levels of Chinese arrivals. Importantly, by leveraging each partner’s focus on operational efficiency and knowledge of global best practices, the joint venture’s brands will prioritize generating superior returns for third-party owners. By catering to the value-conscious yet increasingly discerning Chinese traveler seeking a truly differentiated lodging experience, the partnership’s ultimate goal is to develop one China’s most recognizable hotel companies

Capitalizing on its unparalleled knowledge of the global hospitality markets, Starwood Capital has invested in

approximately 2,900 hotels since its inception. The firm is perhaps best known for creating and building Starwood Hotels & Resorts (NYSE: HOT) into the largest hotel company in the world before exiting its stake in the company. Over the past few years, Starwood Capital Group has increasingly focused on investment opportunities in Asia—particularly China—and chose Shimao Hotel & Resorts, one of the country’s largest and most experienced property developers, as its partner in the hospitality market.

“As a longtime innovator in the hospitality industry, we are excited to embark upon this joint venture with Shimao,” said Kevin Colket, Managing Director and Head of Hotels for Asia at Starwood Capital Group. “We believe that this partnership will benefit from Starwood Capital Group’s global investment expertise and world-class marketing and revenue management capabilities, together with Shimao’s impressive domestic development track record, strong brand recognition and expansive partner network. As one of the world’s fastest-growing economies, with a large and growing middle class with increasing disposable income, China represents an exciting market for us, and we are looking forward to meeting Chinese consumers’ rapidly evolving lodging needs through this partnership.”

Morgan Stanley, sole financial advisor in the transaction, was instrumental in bringing together the parties and facilitated reaching the agreement.

About Shimao Hotels & Resorts

As a wholly-owned subsidiary of Shimao Group, a leading real estate developer in China, Shimao Hotels & Resorts was founded in 2009 and is assigned to operate, manage and develop all of the affiliated hotels and resorts. Shimao Hotels & Resorts has expanded its footprint across the hospitality sector by working in partnership with world-known hotel management companies, among them, Starwood Hotels & Resorts Worldwide (Marriott), Hyatt Hotels & Resorts, InterContinental Hotels Group and Hilton Hotels and Resorts. In addition to partnerships with international hospitality groups, Shimao Hotels & Resorts is committed to developing its own hotels as part of its strategic development, including Yu Resort, Yuluxe Hotel, Yu Hotel, Yu Residence, MiniMax Premier and MiniMax. Shimao Hotels & Resorts operates 20 international and homegrown luxury hotels in China with approximately 6,500 rooms available worldwide.

About Starwood Capital Group

Starwood Capital Group is a private alternative investment firm with a core focus on global real estate, energy infrastructure and oil & gas. The Firm and its affiliates maintain nine offices in three countries around the world, and currently have more than 2,000 employees. Starwood Capital Group has raised over \$37 billion of equity capital since its inception in 1991, and currently manages approximately \$52 billion in assets. The Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Over the past 25 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. Additional information can be found at www.starwoodcapital.com.

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