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China Jinmao Holdings Group Limited
中國金茂控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00817)

ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
PROVISION OF LOAN

The Board announces that on 2 January 2020, Qingdao Jinmao, an indirect wholly-owned subsidiary of the Company, entered into the Cooperative Loan Agreement with Hengxin Hechuang and the Project Companies, pursuant to which Qingdao Jinmao agreed to provide the Loan to the Project Companies in a total amount of no more than RMB3,687,913,816 at an interest rate of 10% per annum, for the purpose of facilitating the subsequent cooperation among the parties on the development of the Land Parcels.

As the highest applicable percentage ratio of the Loan is more than 5% but less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

The Board announces that on 2 January 2020, Qingdao Jinmao, an indirect wholly-owned subsidiary of the Company, entered into the Cooperative Loan Agreement with Hengxin Hechuang and the Project Companies, pursuant to which Qingdao Jinmao agreed to provide the Loan to the Project Companies in a total amount of no more than RMB3,687,913,816 at an interest rate of 10% per annum, for the purpose of facilitating the subsequent cooperation among the parties on the development of the Land Parcels.

PRINCIPAL TERMS OF THE COOPERATIVE LOAN AGREEMENT

Date

2 January 2020

Parties

- Qingdao Jinmao
- Hengxin Hechuang
- Project Companies

Cooperation Model

Hengxin Hechuang has recently won the bidding for the land use rights of Land Parcel A and Land Parcel B, and has established Project Company A and Project Company B as its wholly-owned subsidiaries to be responsible for the development of Land Parcel A and Land Parcel B, respectively. In addition, Hengxin Hechuang intends to participate in the bidding for the land use right of Land Parcel C, and has established Project Company C as its wholly-owned subsidiary to act as the bidding entity. As at the date of this announcement, the outstanding land grant fee of Land Parcel A and Land Parcel B amounts to RMB3,627,913,816 in total.

Qingdao Jinmao intends to incorporate with Hengxin Hechuang in respect of the development of the Land Parcels. Pursuant to the Cooperative Loan Agreement, the parties agreed that Qingdao Jinmao shall have the right to acquire 60% equity interest in each of the Project Companies from Hengxin Hechuang. Qingdao Jinmao shall decide, based on the acquisition status of Land Parcel C and its assessment of the economic indicators of the Land Parcels, whether to proceed with the Equity Acquisition within the period from the date of the Cooperative Loan Agreement to the date falling seven business days from the publication by the government of the listing announcement of Land Parcel C. If Qingdao Jinmao chooses to proceed with the Equity Acquisition, it will enter into formal cooperative agreement(s) and equity transfer agreement(s) with Hengxin Hechuang and the relevant Project Companies. The Company will then separately comply with the relevant requirements under Chapter 14 of the Listing Rules in respect of the Equity Acquisition.

Before completion of the Equity Acquisition, Qingdao Jinmao agreed to provide the Loan to the Project Companies pursuant to the Cooperative Loan Agreement.

Principal and Interest of the Loan

Pursuant to the Cooperative Loan Agreement, Qingdao Jinmao agreed to provide the Loan to the Project Companies in a total amount of no more than RMB3,687,913,816 at an interest rate of 10% per annum. The above amount of the Loan is determined based on the amount of the outstanding land grant fee of Land Parcel A and Land Parcel B and the short-term funding needs for the development of Land Parcel A and Land Parcel B. The Loan will be funded by the Group with its internal resources.

Guarantee

Pursuant to the Cooperative Loan Agreement, Hengxin Hechuang agreed to pledge its entire equity interest in Project Company B to Qingdao Jinmao to secure the full repayment by the Project Companies of the principal of the Loan and the interest accrued thereon.

Repayment

If Qingdao Jinmao chooses to proceed with the Equity Acquisition, the Loan provided by Qingdao Jinmao to the Project Companies (including the interest accrued thereon) under the Cooperative Loan Agreement will be automatically converted to the shareholder's loan from Qingdao Jinmao to the Project Companies. If Qingdao Jinmao chooses not to proceed with the Equity Acquisition, the Cooperative Loan Agreement will terminate immediately from the date on which Qingdao Jinmao issues the relevant notice, and the Project Companies shall repay the principal of the Loan and the interest accrued thereon to Qingdao Jinmao within 30 days from the date of termination of the Cooperative Loan Agreement.

Qingdao Jinmao will separately enter into agreements with Hengxin Hechuang and the relevant Project Companies with respect to the provision, repayment and guarantee of the specific loans pursuant to the terms and conditions set out in the Cooperative Loan Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Land Parcel A is located in Laoshan District, Qingdao City, Shandong Province, the PRC with a site area of 65,176.9 square meters and a plot ratio of no less than 4.0, and is intended to be used for residences and commercial services. Land Parcel B is located in Shibei District, Qingdao City, Shandong Province, the PRC with a site area of 123,164.3 square meters and a plot ratio between 1.5 and 3.5, and is intended to be used for residences, commercial services, cultural facilities and sports facilities. Land Parcel C is located in Licang District, Qingdao City, Shandong Province, the PRC with a site area of approximately 204 mu and an estimated gross floor area of approximately 400,000 square meters, and is intended to be used for residences, transportation stations and commercial services.

The provision of the Loan by Qingdao Jinmao to the Project Companies will facilitate the in-depth cooperation between the Company and Hengxin Hechuang on the development of the Land Parcels and give full play to the resource advantages of the relevant parties, so as to optimize project income and lay a foundation for the Group's further expansion of high-quality land resource reserves in Qingdao City.

The Directors consider that the provision of the Loan is conducted on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratio of the Loan is more than 5% but less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION REGARDING THE PARTIES

The Company is a large-scale developer and operator of quality real estate projects in the PRC. The Company is the platform enterprise of Sinochem Group Co., Ltd. in the development of real estate business. The Company is principally engaged in city operations, property development, commercial leasing, retail operations, hotel operations and finance and services.

Qingdao Jinmao is an indirect wholly-owned subsidiary of the Company, and is principally engaged in real estate development and operation, property management, investment and operation management in the PRC.

Hengxin Hechuang is principally engaged in real estate development, housing leasing, real estate information consulting and property management in the PRC.

Project Companies are principally engaged in real estate development in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hengxin Hechuang, Project Companies and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	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, whose shares are listed on the Stock Exchange
“Cooperative Loan Agreement”	a cooperative loan agreement entered into among Qingdao Jinmao, Hengxin Hechuang and Project Companies on 2 January 2020
“Directors”	the directors of the Company
“Equity Acquisition”	an option exercisable by Qingdao Jinmao to acquire 60% equity interest in each of the Project Companies from Hengxin Hechuang
“Group”	the Company and its subsidiaries
“Hengxin Hechuang”	Qingdao Hengxin Hechuang Commercial Development Co., Ltd. (青島恒鑫合創商業發展有限公司), a company with limited liability established under the laws of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Parcels”	Land Parcel A, Land Parcel B and Land Parcel C
“Land Parcel A”	the land parcel of No. LS0502-35-1 and LS0502-36 located in Laoshan District, Qingdao City, Shandong Province, the PRC
“Land Parcel B”	the land parcel of No. SF0604-207, SF0604-305, F0604-902 and SF0604-1002 located in Shibei District, Qingdao City, Shandong Province, the PRC
“Land Parcel C”	the land parcel in Licang District, Qingdao City, Shandong Province, the PRC, the detailed information of which will be set out in a listing announcement to be published by the government

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan provided by Qingdao Jinmao to the Project Companies in a total amount of no more than RMB3,687,913,816 pursuant to the Cooperative Loan Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Project Companies”	Project Company A, Project Company B and Project Company C
“Project Company A”	Qingdao Haijing Yongchuang Real Estate Co., Ltd. (青島海璟永創置業有限公司), a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of Hengxin Hechuang
“Project Company B”	Qingdao Haijing Yunchuang Real Estate Co., Ltd. (青島海璟雲創置業有限公司), a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of Hengxin Hechuang
“Project Company C”	Qingdao Haijing Hengchuang Real Estate Co., Ltd. (青島海璟恒創置業有限公司), a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of Hengxin Hechuang
“Qingdao Jinmao”	Qingdao Jinmao Real Estate Co., Ltd. (青島金茂置業有限公司), a company with limited liability established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules

By order of the Board
China Jinmao Holdings Group Limited
NING Gaoning
Chairman

Hong Kong, 2 January 2020

As at the date of this announcement, the Directors of the Company are Mr. NING Gaoning (Chairman), Mr. YANG Lin and Mr. AN Hongjun as Non-executive Directors; Mr. LI Congrui, Mr. JIANG Nan and Mr. SONG Liuyi as Executive Directors; Mr. LAU Hon Chuen, Ambrose, Mr. SU Xijia and Mr. GAO Shibin as Independent Non-executive Directors.