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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**  
**CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW**  
**FRAMEWORK LEASE AGREEMENT**

References are made to (i) the announcements of the Company dated 11 November 2011, 3 November 2014, 7 December 2016, 21 December 2018 and the circular of the Company dated 2 December 2011 in relation to the existing framework lease agreement entered into between the Company and Sinochem Group on 11 November 2011, which regulated the individual lease agreements entered into between the Group (as lessor) and Sinochem Group and its associates (as lessees) in respect of the relevant units in Shanghai Jin Mao Tower, Sinochem Tower and Beijing Chemsunny World Trade Centre; and (ii) the announcement of the Company dated 18 December 2020 in relation to the supplemental agreement to the existing framework lease agreement entered into between the Company and Sinochem Group on 18 December 2020, pursuant to which individual lease agreements entered into between the parties in respect of the relevant units in Royal International Mansion have been included in and regulated by the existing framework lease agreement. The above existing framework lease agreement and its supplemental agreement will expire on 31 December 2021.

Reference is also made to the announcement of the Company dated 16 September 2021 in relation to the individual lease agreements for the lease of relevant units in Beijing Chemsunny World Trade Centre and Royal International Mansion by the Group to subsidiaries of ChemChina. Upon completion of the Strategic Restructuring between Sinochem Group and ChemChina, the transactions under the individual lease agreements have become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board hereby announces that on 28 December 2021, the Company entered into the New Framework Lease Agreement with Sinochem Holdings, the holding company of Sinochem Group and ChemChina, to streamline the leasing relationship in respect of the Leased Properties between the Group and Sinochem Holdings and its associates. The New Framework Lease Agreement shall become effective on 1 January 2022 and be valid for a term of three years.

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 35.28% of the total number of issued shares of the Company, and hence a connected person of the Company. Accordingly, the transactions under the New Framework Lease Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions under the New Framework Lease Agreement exceeds 0.1% but is less than 5%, the transactions under the New Framework Lease Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

References are made to (i) the announcements of the Company dated 11 November 2011, 3 November 2014, 7 December 2016, 21 December 2018 and the circular of the Company dated 2 December 2011 in relation to the existing framework lease agreement entered into between the Company and Sinochem Group on 11 November 2011, which regulated the individual lease agreements entered into between the Group (as lessor) and Sinochem Group and its associates (as lessees) in respect of the relevant units in Shanghai Jin Mao Tower, Sinochem Tower and Beijing Chemsunny World Trade Centre; and (ii) the announcement of the Company dated 18 December 2020 in relation to the supplemental agreement to the existing framework lease agreement entered into between the Company and Sinochem Group on 18 December 2020, pursuant to which individual lease agreements entered into between the parties in respect of the relevant units in Royal International Mansion have been included in and regulated by the existing framework lease agreement. The above existing framework lease agreement and its supplemental agreement will expire on 31 December 2021.

Reference is also made to the announcement of the Company dated 16 September 2021 in relation to the individual lease agreements for the lease of relevant units in Beijing Chemsunny World Trade Centre and Royal International Mansion by the Group to subsidiaries of ChemChina. Upon completion of the Strategic Restructuring between Sinochem Group and ChemChina, the transactions under the individual lease agreements have become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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## **THE NEW FRAMEWORK LEASE AGREEMENT**

- Date: 28 December 2021
- Parties: The Company (on behalf of the Group) and Sinochem Holdings (for itself and on behalf of its associates)
- Lessor:
- (i) China Jin Mao (Group), a wholly-owned subsidiary of the Company and the owner of Shanghai Jin Mao Tower;
  - (ii) Sinochem Property Management, a wholly-owned subsidiary of the Company and the owner of Sinochem Tower;
  - (iii) Chemsunny, a wholly-owned subsidiary of the Company and the owner of Beijing Chemsunny World Trade Centre; and
  - (iv) Junmao Real Estate, a wholly-owned subsidiary of the Company and the operator of Royal International Mansion

Lessees:	Sinochem Holdings and its associates
Leased Properties:	Relevant units in Shanghai Jin Mao Tower, Sinochem Tower, Beijing Chemsunny World Trade Centre and Royal International Mansion
	As at 30 November 2021, the total leased gross floor area under all existing individual lease agreements was approximately 93,387 square meters. The lessees may, according to their future needs, increase, decrease or adjust the leased area of the Leased Properties during the term of the New Framework Lease Agreement.
Term:	Three years from 1 January 2022
Rentals etc.:	The rentals, property management fees of the relevant units and other fees being various sundry charges actually incurred (including but not limited to parking space rentals, car-park management fees, parking fees, water, electricity and gas charges, telephone tariffs, overtime air-conditioning fees, maintenance and catering fees, etc., where applicable) shall be set out in the relevant individual lease agreements and shall be paid by the lessees according to the provisions of the individual lease agreements.

## **PRICING BASIS**

The rentals, property management fees and other fees of the relevant units will be determined through arm's length negotiations between the Group and Sinochem Holdings and its associates based on the prevailing market rates and on normal commercial terms. When determining the prevailing market rates, the relevant subsidiaries of the Company will make reference to the historical fees paid by the lessees for the relevant leases and the market rentals, property management fees and other fees of similar types of properties in the surrounding areas. Having obtained various reference prices, the general manager of the relevant subsidiaries of the Company will determine the rentals and fees for the relevant units, which will then be reported to the deputy general manager in charge of the Office Leasing Department of the Company.

## HISTORICAL FIGURES

The rentals, property management fees and other fees paid by the lessees for the two years ended 31 December 2020 and the eleven months ended 30 November 2021 were as follows:

	<b>For the year ended 31 December 2019 Approx. (RMB million)</b>	<b>For the year ended 31 December 2020 Approx. (RMB million)</b>	<b>For the eleven months ended 30 November 2021 Approx. (RMB million)</b>
Rentals, property management fees and other fees paid by the lessees	363.78	392.15	406.20

## ANNUAL CAPS

The Company estimates the annual caps for the rentals, property management fees and other fees to be received by the Group in respect of the Leased Properties under the New Framework Lease Agreement for the three years ending 31 December 2024 as follows:

	<b>For the year ending 31 December 2022 (RMB million)</b>	<b>For the year ending 31 December 2023 (RMB million)</b>	<b>For the year ending 31 December 2024 (RMB million)</b>
Estimated annual caps	582.25	654.14	733.45

The Directors have taken into account the following principal factors in estimating the above annual caps:

- (a) Taking into consideration the previous market rental adjustments of commercial properties of the same or similar quality in the proximity of the Leased Properties, and assuming that all individual lease agreements will be renewed based on the prevailing market rates upon expiration, the Directors estimate that there will be an annual upward adjustment of not more than 10% to the rentals of the relevant units of the Leased Properties for each of the three years from 2022 to 2024;
- (b) In view of the fact that the relevant property management entities may adjust the property management fees due to cost increase and taking into account the increase in property management cost in recent years, the Directors estimate that there will be an annual upward adjustment of 12% to the property management fees for each of the three years from 2022 to 2024;
- (c) The other fees are various sundry charges actually incurred under the individual lease agreements. The Directors estimate that there will be an annual upward adjustment of 8% to the other fees for each of the three years from 2022 to 2024 based on the previous market price adjustments and the changing needs of the lessees;

- (d) Pursuant to the New Framework Lease Agreement, the lessees may, according to their future needs, increase, decrease or adjust the leased area of the Leased Properties during the term of the New Framework Lease Agreement. Along with the business development of Sinochem Holdings and its associates, their demand for office space may further increase. It is expected that Sinochem Holdings and its associates will increase the leased gross floor area of the Leased Properties by up to 2% for each of the three years from 2022 to 2024; and
- (e) The Directors, after making the above adjustments, make an additional buffer of an annual increase of 15% of the estimated amount of the rentals, property management fees and other fees.

## **REASONS FOR AND BENEFITS OF THE NEW FRAMEWORK LEASE AGREEMENT**

The Company is of the view that the lease of the Leased Properties to Sinochem Holdings and its associates at the prevailing market rates can secure long-term tenants and bring stable income to the Group. In addition, following the completion of the Strategic Restructuring, Sinochem Group and ChemChina have become subsidiaries of Sinochem Holdings. As such, by consolidating the management of all existing and future individual leasing relationship in respect of the Leased Properties under one framework agreement, regardless of the location of the Leased Properties, the Company can streamline and optimize the regulation and control of the leasing relationship with Sinochem Holdings and its associates.

The Directors (including the independent non-executive Directors) consider that the New Framework Lease Agreement is entered into after arm's length negotiations and on normal commercial terms, and the terms of the transactions under the New Framework Lease Agreement and the relevant annual caps are fair and reasonable and are in the interests of the Company and its shareholders as a whole. As Mr. NING Gaoning, Mr. YANG Lin and Mr. CHENG Yong, being directors and/or employees of Sinochem Holdings, are deemed to have material interests in the transactions under the New Framework Lease Agreement, they have abstained from voting on the Board resolution to approve the transactions under the New Framework Lease Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 35.28% of the total number of issued shares of the Company, and hence a connected person of the Company. Accordingly, the transactions under the New Framework Lease Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions under the New Framework Lease Agreement exceeds 0.1% but is less than 5%, the transactions under the New Framework Lease Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## GENERAL INFORMATION

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

Sinochem Group is one of the central state-owned enterprises in the PRC with the approval of the SASAC to develop, invest in and manage real estate projects as one of its core businesses. Following the completion of the Strategic Restructuring, Sinochem Group has become a wholly-owned subsidiary of Sinochem Holdings, which is in turn wholly owned by the SASAC. Sinochem Holdings is a large-scale chemical conglomerate, and operates in eight business sectors covering life science, materials science, basic chemicals, environmental science, rubber and tire, machinery and equipment, city operations, and industrial finance.

## DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Beijing Chemsunny World Trade Centre”	Beijing Chemsunny World Trade Centre (北京凱晨世貿中心), an office building located at 28 Fuxingmennei Street, Xicheng District, Beijing, the PRC
“Board”	the board of Directors of the Company
“ChemChina”	China National Chemical Corporation Ltd. (中國化工集團有限公司), a state-owned enterprise incorporated in the PRC
“Chemsunny”	Beijing Chemsunny Property Company Limited (北京凱晨置業有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company and the owner of Beijing Chemsunny World Trade Centre
“China Jin Mao (Group)”	China Jin Mao (Group) Company Limited (中國金茂(集團)有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company and the owner of Shanghai Jin Mao Tower
“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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Junmao Real Estate”	Beijing Junmao Real Estate Co., Ltd. (北京俊茂置業有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company and the operator of Royal International Mansion
“Leased Properties”	the relevant units of Shanghai Jin Mao Tower, Sinochem Tower, Beijing Chemsunny World Trade Centre and Royal International Mansion, which are leased by the Group to Sinochem Holdings and its associates under the New Framework Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Framework Lease Agreement”	the framework lease agreement for the leasing of the Leased Properties entered into between the Company and Sinochem Holdings on 28 December 2021
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Royal International Mansion”	Royal International Mansion (佑安國際大廈), an office building located in Building 17, No. 2 Xitieying Middle Road, Fengtai District, Beijing, the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shanghai Jin Mao Tower”	Shanghai Jin Mao Tower (上海金茂大廈), an office building located at 88 Century Avenue, Pudong New Area, Shanghai, the PRC
“Sinochem Group”	Sinochem Group Co., Ltd. (中國中化集團有限公司), a state-owned enterprise incorporated in the PRC and the indirect controlling shareholder of the Company
“Sinochem Holdings”	Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司), a state-owned enterprise incorporated in the PRC and wholly-owned by the SASAC, and the holding company of Sinochem Group and ChemChina

“Sinochem Property Management”	Sinochem International Property & Hotels Management Co., Ltd. (中化國際物業酒店管理有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the Company and the owner of Sinochem Tower
“Sinochem Tower”	Sinochem Tower (中化大廈), an office building located at A2 Fuxingmenwai Avenue, Xicheng District, Beijing, the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Restructuring”	the strategic restructuring between Sinochem Group and ChemChina, upon completion of which, Sinochem Group and ChemChina have been consolidated into Sinochem Holdings. For details, please refer to the announcements of the Company dated 23 January 2020, 31 March 2021 and 16 September 2021
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules

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

Hong Kong, 28 December 2021

*As at the date of this announcement, the Directors of the Company are Mr. NING Gaoning (Chairman), Mr. YANG Lin, Mr. AN Hongjun, Mr. CHENG Yong and Mr. WANG Wei as Non-executive Directors; Mr. LI Congrui, Mr. JIANG Nan and Mr. SONG Liuyi as Executive Directors; Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei as Independent Non-executive Directors.*