

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.



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 TRANSACTION
PROVISION OF LOANS

The Board hereby announces that on 22 June 2022, Ningbo Yongmao, an indirect non-wholly owned subsidiary of the Company, entered into the Framework Agreement with its shareholders, Dingmao Construction and Ningnan Assets Management, pursuant to which Ningbo Yongmao agreed to provide loans to Dingmao Construction and Ningnan Assets Management (or their respective designated entities) based on the same terms and conditions and in proportion to the shareholding ratio of Dingmao Construction and Ningnan Assets Management in Ningbo Yongmao.

Dingmao Construction is an indirect wholly-owned subsidiary of the Company. Ningbo Yongmao is held as to 80% and 20% by Dingmao Construction and Ningnan Assets Management respectively, and is an indirect non-wholly owned subsidiary of the Company. Ningnan Assets Management is a substantial shareholder of Ningbo Yongmao and is therefore a connected person of the Company at the subsidiary level. Accordingly, the transaction in relation to the provision of loans by Ningbo Yongmao to Ningnan Assets Management (or its designated entities) under the Framework Agreement constitutes the provision of financial assistance by the Group to a connected person at the subsidiary level, and therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the maximum daily balance of the loans to be provided by Ningbo Yongmao to Ningnan Assets Management (or its designated entities) are more than 1% but less than 5%, the transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

The Board hereby announces that on 22 June 2022, Ningbo Yongmao, an indirect non-wholly owned subsidiary of the Company, entered into the Framework Agreement with its shareholders, Dingmao Construction and Ningnan Assets Management, pursuant to which Ningbo Yongmao agreed to provide loans to Dingmao Construction and Ningnan Assets Management (or their respective designated entities) based on the same terms and conditions and in proportion to the shareholding ratio of Dingmao Construction and Ningnan Assets Management in Ningbo Yongmao.

PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

DATE

22 June 2022

PARTIES

Lender: Ningbo Yongmao

Borrowers: Dingmao Construction and Ningnan Assets Management

Provision of loans

Pursuant to the Framework Agreement, Ningbo Yongmao shall provide loans to Dingmao Construction and Ningnan Assets Management (or their respective designated entities) as and when agreed by the parties. The amount of loans to be provided by Ningbo Yongmao to Dingmao Construction and Ningnan Assets Management shall be in proportion to their shareholding ratio in Ningbo Yongmao, and all other terms and conditions of the loans shall also be the same. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the Framework Agreement.

Interest rate of loans

The actual interest rate of each of the loans under the Framework Agreement shall be determined by reference to the latest loan prime rate for the same term as published by the National Interbank Funding Center from time to time, subject to a floating range of 50% higher or lower than such rate. Such rate is publicly available to the market and updated by the National Interbank Funding Center from time to time.

Repayment of loans and payment of interest

Interest shall generally be paid on a quarterly basis. The parties may set out in detail the interest payment method and loan repayment schedule in the loan agreements to be separately entered into by the parties. To maintain its normal operation and depending on its financial needs, Ningbo Yongmao shall be entitled to request for early repayment of the principal and interest of the loans by Dingmao Construction and Ningnan Assets Management (or their designated loan receiving entities) in proportion to their shareholding ratio in Ningbo Yongmao.

Offsetting right

If Ningbo Yongmao is unable to recover the principal and interest of the loans provided pursuant to the Framework Agreement due to any reasons caused by Dingmao Construction or Ningnan Assets Management (or their respective designated loan receiving entities), Ningbo Yongmao shall be entitled to offset such amounts payable by Dingmao Construction or Ningnan Assets Management to Ningbo Yongmao against any amounts payable by Ningbo Yongmao to such party.

Term

The Framework Agreement will be effective from 22 June 2022 for a term of three years. The term of the loans under the loan agreements to be separately entered into by the parties pursuant to the Framework Agreement shall not exceed the term of the Framework Agreement.

CAP AMOUNT

The Company expects that during the term of the Framework Agreement, the maximum daily balance (including the accrued interest) of the loans to be provided by Ningbo Yongmao to Ningnan Assets Management (or its designated entities) shall be RMB720 million.

In calculating such cap, the Directors have considered the progress of development projects and cash balance of Ningbo Yongmao and its planned scale of sales and profit distribution plan for the coming three years, and that Ningbo Yongmao has retained sufficient working capital for its property development projects for at least the coming six months. In addition, the Directors have also considered the fund management strategies of the Group and the development and financial needs of the Group during the term of the Framework Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

In view of the satisfactory operation of and sufficient proceeds received by Ningbo Yongmao, the Directors consider that the provision of loans by Ningbo Yongmao to its shareholders can reduce the level of its idle cash balance and meet the development and financial needs of the Group in other development projects through fully utilizing its funding strength, promoting reasonable allocation of resources and increasing its fund utilization rate. The amount of loans to be provided by Ningbo Yongmao to Dingmao Construction and Ningnan Assets Management (or their respective designated entities) will be in proportion to their respective shareholding ratio in Ningbo Yongmao, and all other terms and conditions of the loans will also be the same, which are consistent with the equity ratio of Dingmao Construction and Ningnan Assets Management in Ningbo Yongmao.

In order to ensure that the terms and conditions of the loans will equally apply to Dingmao Construction and Ningnan Assets Management, the headquarters of the Company will, together with Ningbo Yongmao, determine the amount and term of each of the loans to be provided based on the financial condition of Ningbo Yongmao, following which, relevant proposal will be submitted to the shareholders' general meeting of Ningbo Yongmao for approval, and the specific loan agreements to be entered into by the parties will be submitted to the compliance and legal personnel of the Company to ensure that such agreements will be entered into pursuant to the Framework Agreement.

The Directors (including the independent non-executive Directors) consider that the Framework Agreement and the continuing connected transaction contemplated thereunder are entered into by the Group in its ordinary course of business, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. No Director is deemed to be materially interested in the transaction under the Framework Agreement, and therefore no Director is required to abstain from voting on the Board resolution approving the transaction under the Framework Agreement.

LISTING RULES IMPLICATIONS

Dingmao Construction is an indirect wholly-owned subsidiary of the Company. Ningbo Yongmao is held as to 80% and 20% by Dingmao Construction and Ningnan Assets Management respectively, and is an indirect non-wholly owned subsidiary of the Company. Ningnan Assets Management is a substantial shareholder of Ningbo Yongmao and is therefore a connected person of the Company at the subsidiary level. Accordingly, the transaction in relation to the provision of loans by Ningbo Yongmao to Ningnan Assets Management (or its designated entities) under the Framework Agreement constitutes the provision of financial assistance by the Group to a connected person at the subsidiary level, and therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the maximum daily balance of the loans to be provided by Ningbo Yongmao to Ningnan Assets Management (or its designated entities) are more than 1% but less than 5%, the transaction is subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Company is a large-scale developer and operator of quality real estate projects in the PRC, and the platform enterprise of Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司) in the development of real estate business. The Company is currently principally engaged in city operations, property development, commercial leasing, retail business operations, hotel operations and technology and services.

Ningbo Yongmao is an indirect non-wholly owned subsidiary of the Company, and is principally engaged in real estate development and operation and construction projects in the PRC.

Dingmao Construction is an indirect wholly-owned subsidiary of the Company, and is principally engaged in real estate development and operation and construction projects in the PRC.

Ningnan Assets Management is principally engaged in industrial investment in the PRC. The ultimate beneficial owner of Ningnan Assets Management is the State-owned Assets Management Center of Fenghua District, Ningbo City, Zhejiang Province, the PRC (中國浙江省寧波市奉化區國有資產管理中心).

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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Dingmao Construction”	Ningbo Dingmao Construction Development Co., Ltd. (寧波鼎茂建設開發有限公司), a company incorporated under the laws of the PRC with limited liability, an indirect wholly-owned subsidiary of the Company, and a shareholder of Ningbo Yongmao holding 80% of its equity interest
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the loan framework agreement dated 22 June 2022 entered into by Ningbo Yongmao with Dingmao Construction and Ningnan Assets Management

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Yongmao”	Ningbo Yongmao Construction Development Co., Ltd. (寧波甬茂建設開發有限公司), a company incorporated under the laws of the PRC with limited liability, and an indirect non-wholly owned subsidiary of the Company
“Ningnan Assets Management”	Ningbo Ningnan Xincheng State-owned Assets Management Co., Ltd. (寧波寧南新城國有資產經營管理有限責任公司), a company incorporated under the laws of the PRC with limited liability, owned by third parties independent of the Company and its connected persons, and a shareholder of Ningbo Yongmao holding 20% of its equity interest
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 22 June 2022

As at the date of this announcement, the Directors of the Company are Mr. NING Gaoning (Chairman), Mr. LI Fuli, Mr. AN Hongjun, Mr. CHENG Yong and Mr. LIU Pengpeng 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.