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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 EARNEST MONEY LOAN

The Board announces that on 22 June 2022, Northern Demao, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with BCDH, pursuant to which, for the purpose of their subsequent cooperation in the development of the Land Parcels, Northern Demao (i) agreed to provide BCDH and the Project Company with the Earnest Money Loan in an aggregate amount of not exceeding RMB2,166,780,000 at an interest rate of 5.3% per annum; and (ii) conditionally agreed to participate in the listing-for-sale process of the Project Company in the form of capital injection. The land use rights of the Land Parcels were acquired by BCDH through a public bidding process on 1 June 2022. BCDH has established the Project Company for the development of the Land Parcels.

As the highest applicable percentage ratio in respect of the provision of the Earnest Money Loan exceeds 5% but is less than 25%, the provision of the Earnest Money 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 22 June 2022, Northern Demao, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with BCDH, pursuant to which, for the purpose of their subsequent cooperation in the development of the Land Parcels, Northern Demao (i) agreed to provide BCDH and the Project Company with the Earnest Money Loan in an aggregate amount of not exceeding RMB2,166,780,000 at an interest rate of 5.3% per annum; and (ii) conditionally agreed to participate in the listing-for-sale process of the Project Company in the form of capital injection. The land use rights of the Land Parcels were acquired by BCDH through a public bidding process on 1 June 2022. BCDH has established the Project Company for the development of the Land Parcels.

MAJOR TERMS OF THE AGREEMENT

Date

22 June 2022

Parties

- Northern Demao, an indirect wholly-owned subsidiary of the Company
- BCDH

Provision of Earnest Money Loan

Pursuant to the Agreement, Northern Demao agreed to provide BCDH and the Project Company with the Earnest Money Loan in an aggregate amount of not exceeding RMB2,166,780,000 at an interest rate of 5.3% per annum, which will be used by BCDH and the Project Company for the payment of part of the funds required for the development of the Land Parcels.

The Earnest Money Loan shall be provided by Northern Demao (or other wholly-owned subsidiaries of the Company) to BCDH or the Project Company in tranches in the following manner:

- (i) no more than RMB1,960,000,000 shall be provided to BCDH by 11 July 2022;
- (ii) no more than RMB59,780,000 shall be provided to the Project Company within 10 working days after the Project Company makes its request; and
- (iii) no more than RMB147,000,000 shall be provided to the Project Company within 10 working days after the Project Company makes its request.

The Earnest Money Loan was determined between the parties after mutual negotiation with reference to the cost for the acquisition of the Land Parcels and the estimated start-up capital required for the development of the Land Parcels, and will be funded by the Group with its internal resources.

Participation in the Listing-For-Sale Process

Pursuant to the Agreement, upon obtaining the project approval in respect of the development of the Land Parcels from the Beijing Municipal Development and Reform Commission, BCDH shall procure the Project Company to proceed with a listing-for-sale process on a platform recognized by the state-owned assets regulator to introduce an investor who shall make a capital injection to the Project Company to acquire no less than 49% equity interest in the Project Company. The listing price for the acquisition of such equity interest shall be determined by reference to the net assets value of the Project Company as appraised by an independent valuer as at the valuation benchmark date (which is tentatively set at 31 July 2022).

Northern Demao conditionally agreed to participate in the listing-for-sale process of the Project Company in the form of capital injection. The Company will comply with the relevant requirements under the Listing Rules as and when appropriate if Northern Demao successfully wins the bid in the listing-for-sale process.

Repayment

If Northern Demao successfully wins the bid in the listing-for-sale process, the Project Company shall repay part of the Earnest Money Loan in an amount equivalent to the additional registered capital subscribed for by Northern Demao on the date when Northern Demao makes the full payment for its capital injection to the Project Company, and the remaining amount of the Earnest Money Loan will be converted to the shareholder's loan from Northern Demao to the Project Company which will continue to bear interest at the rate of 5.3% per annum.

If Northern Demao does not win the bid in the listing-for-sale process, BCDH shall repay the principal of the Earnest Money Loan in full, together with the interest accrued thereon, within 20 working days upon receipt of the written notice from Northern Demao.

INFORMATION ON THE PROJECT COMPANY AND THE LAND PARCELS

BCDH acquired the land use rights of the Land Parcels through a public bidding process at a consideration of RMB4,000,000,000 on 1 June 2022 and established the Project Company on 13 June 2022 for the development of the Land Parcels. As at the date of this announcement, the registered capital of the Project Company is RMB1,020,000,000. The Land Parcels are located in Naixi Village, Cuigezhuang Township, Chaoyang District, Beijing, the PRC, with a site area of 44,618.192 square meters and a planned gross floor area of 93,514 square meters, and will be mainly developed for residential purpose.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The provision of the Earnest Money Loan by Northern Demao to BCDH and the Project Company is conducive to the further implementation of various matters in relation to the joint development of the Land Parcels by the Group and BCDH, and enables the parties to fully utilize their resources to optimize the project revenue, thereby laying a foundation for the Group's participation in the joint development of quality projects in Beijing.

The Directors consider that the transaction under the Agreement (including the provision of the Earnest Money Loan) is conducted on normal commercial terms, and the terms of the Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the provision of the Earnest Money Loan exceeds 5% but is less than 25%, the provision of the Earnest Money Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 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 Holdings Corporation Ltd. in the development of real estate business. The Company is currently principally engaged in city operations, property development, commercial leasing, retail operations, hotel operations, as well as technology and services.

Northern Demao is an indirect wholly-owned subsidiary of the Company and is principally engaged in real estate investment and development in the PRC.

BCDH is principally engaged in real estate development, property operation and property services, renewal and renovation of old urban areas and real estate finance in the PRC. The shares of BCDH are listed on the Shanghai Stock Exchange, with the stock code: 600376.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BCDH and its 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:

“Agreement”	the joint development agreement dated 22 June 2022 entered into between Northern Demao and BCDH
“BCDH”	Beijing Capital Development Co., Ltd. (北京首都開發股份有限公司), a company with limited liability established under the laws of the PRC
“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, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Earnest Money Loan”	the loan in the form of earnest money in an aggregate amount of not exceeding RMB2,166,780,000 provided by Northern Demao (or other wholly-owned subsidiaries of the Company) to BCDH and the Project Company pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Parcels”	the land parcels numbered 29-319 and 320 situated at Naixi Village, Cuigezhuang Township, Chaoyang District, Beijing, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Northern Demao”	Tianjin Northern Demao Properties Company Limited (天津北方德茂置業有限公司), a company with limited liability established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Project Company”	Beijing Zhimao Real Estate Development Co., Ltd. (北京志茂房地產開發有限公司), a company with limited liability established under the laws of the PRC and, as at the date of this announcement, a wholly-owned subsidiary of BCDH
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	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, 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.