

*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 TRANSACTIONS AND NOTIFIABLE**  
**TRANSACTIONS UNDER THE FINANCIAL SERVICES FRAMEWORK**  
**AGREEMENTS**

- (A) Reference is made to the Existing Sinochem Financial Services Framework Agreement entered into between the Company and Sinochem Finance which will expire on 31 December 2022. On 16 November 2022, the Company and Sinochem Finance entered into the Renewed Sinochem Financial Services Framework Agreement, pursuant to which the Group will continue to utilize the financial services available from Sinochem Finance on a non-exclusive basis as it deems necessary for a period up to 31 December 2025.
- (B) Reference is made to the Existing Ping An Financial Services Framework Agreement entered into between the Company and certain subsidiaries of Ping An which will expire on 31 December 2022. On 16 November 2022, the Company and Ping An Member Companies entered into the Renewed Ping An Financial Services Framework Agreement, pursuant to which the Group will continue to utilize the financial services available from Ping An Member Companies on a non-exclusive basis as it deems necessary for a period up to 31 December 2025.

**IMPLICATIONS UNDER THE LISTING RULES**

- (A) Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 35.27% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Finance is owned as to 37% by Sinochem Holdings and as to 61.12% in aggregate by Sinochem Corporation (an indirect subsidiary of Sinochem Holdings) and its subsidiary, Sinochem Finance is a connected person of the Company. The transactions under the Renewed Sinochem Financial Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios of the maximum daily balance in respect of the deposit services under the Renewed Sinochem Financial Services Framework Agreement are more than 25% but less than 100%, the deposit services (including the maximum daily balance) are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and also constitute a major transaction under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements thereunder.

(B) Ping An, through its subsidiary, holds approximately 14.08% of the total number of issued shares of the Company, and is therefore a connected person of the Company. Each of Ping An Member Companies is a subsidiary of Ping An, and also a connected person of the Company. The transactions under the Renewed Ping An Financial Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios of the maximum daily balance in respect of the deposit services under the Renewed Ping An Financial Services Framework Agreement are more than 25% but less than 100%, the deposit services (including the maximum daily balance) are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and also constitute a major transaction under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements thereunder.

As one or more of the applicable percentage ratios of the maximum daily balance in respect of the loan services and the financing factoring services on an aggregated basis under the Renewed Ping An Financial Services Framework Agreement are more than 5%, the loan services and the financing factoring services (including the aggregate maximum daily balance) are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as one or more of the applicable percentage ratios of the maximum daily balance in respect of the financing factoring services are more than 5% but less than 25%, the financing factoring services also constitute a discloseable transaction under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements thereunder.

As one or more of the applicable percentage ratios of the annual caps in respect of all other financial services under the Renewed Ping An Financial Services Framework Agreement are more than 0.1% but less than 5%, such services are subject to the reporting, announcement and annual review requirements, but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of (i) the deposit services (including the maximum daily balance) under the Renewed Sinochem Financial Services Framework Agreement, and (ii) the deposit services (including the maximum daily balance) as well as the loan services and the financing factoring services (including the aggregate maximum daily balance) under the Renewed Ping An Financial Services Framework Agreement. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing the details of the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, together with a notice of the extraordinary general meeting will be dispatched to the Shareholders on or before 7 December 2022.

## **TRANSACTIONS UNDER THE RENEWED SINOCHEM FINANCIAL SERVICES FRAMEWORK AGREEMENT**

Reference is made to the Existing Sinochem Financial Services Framework Agreement entered into between the Company and Sinochem Finance which will expire on 31 December 2022. On 16 November 2022, the Company and Sinochem Finance entered into the Renewed Sinochem Financial Services Framework Agreement, pursuant to which the Group will continue to utilize the financial services available from Sinochem Finance on a non-exclusive basis as it deems necessary for a period up to 31 December 2025.

Principal terms of the Renewed Sinochem Financial Services Framework Agreement are set out below:

Date: 16 November 2022

Parties: The Company and Sinochem Finance

Provisions: The Group will, from time to time, utilize the financial services available from Sinochem Finance on a non-exclusive basis as it deems necessary. Such services include:

- (a) providing deposit services to the Group, including but not limited to demand deposits, call deposits and term deposits;
- (b) providing loans to the Group (excluding entrustment loans) on normal commercial terms where no mortgage, pledge or other security over the assets of the Group will be required;
- (c) arranging entrustment loans for the Group as a financial agent through which funds of one member of the Group may be channeled for use by another member of the Group;
- (d) providing settlement services to the Group;
- (e) providing guarantees at the request of the Group for financing, lease financing, bidding activities or performing other contractual obligations where no counter-guarantee will be required;
- (f) providing non-financing factoring services to the Group, including supply chain factoring services and relevant management and consultancy services;
- (g) providing internet banking services to the Group; and
- (h) providing any other financial services as approved by the CBIRC to the Group, including but not limited to notes services and other services.

- Term:** The Renewed Sinochem Financial Services Framework Agreement shall take effect from 1 January 2023 and expire on 31 December 2025, provided that the deposit services under the Renewed Sinochem Financial Services Framework Agreement shall become effective after the approval from the Independent Shareholders is obtained.
- Fees and charges:** Fees and charges payable to Sinochem Finance under the Renewed Sinochem Financial Services Framework Agreement are determined on the following basis:
- when providing the deposit services, subject to compliance with regulatory requirements, interest rates shall not be lower than the benchmark interest rates for deposits of the same type and duration as promulgated by the PBOC from time to time, or the interest rates for deposits of the same type and duration as offered by independent commercial banks in the PRC, whichever is higher;
  - when providing loans, interest rates shall not be higher than the interest rates offered by independent commercial banks in the PRC under the same conditions;
  - when arranging entrustment loans, the service fees together with the loan interests shall not be higher than the service fees and interests in respect of an entrustment loan of the same duration offered by independent commercial banks in the PRC under the same conditions;
  - when providing settlement services, no service fees will be charged; and
  - when providing any other financial services, the fees so charged shall not be higher than the rates offered by independent financial institutions of the same type in the PRC under the same conditions, or, if applicable, the standard rates promulgated by the PBOC from time to time, whichever is lower.
- Right of set-off:** In the event that the Group fails to recover any amount it deposits with Sinochem Finance, the Group will have the right to offset against any outstanding amounts due to Sinochem Finance by the Group.
- Daily balance:** The average daily balance per year of the loans (which will be calculated according to the calendar year, and if the period is for less than a year, it will be calculated according to the number of days from 1 January of the year) the Group obtains from Sinochem Finance and Sinochem Holdings' other member units shall be higher than the average daily balance per year of the deposits the Group places with Sinochem Finance.
- Undertakings:** Sinochem Finance undertakes that:
- (i) it will apply all the monies deposited by the Group to such activities as approved by the CBIRC in accordance with the relevant laws and regulations of the PRC;

- (ii) at all times the sum of the outstanding amount of the loans it provides to Sinochem Holdings' member units (exclusive of the Group) shall not exceed the sum of Sinochem Finance's equity capital, reserve and the deposits received from parties other than the Group;
- (iii) it will notify the Company immediately in the event of any change in its credit ratings;
- (iv) it will provide its financial statements to the Company on a monthly basis; and
- (v) it will deliver to the Company a monthly report on the status of deposits, loans and other transactions between the Group and Sinochem Finance.

## **TRANSACTIONS UNDER THE RENEWED PING AN FINANCIAL SERVICES FRAMEWORK AGREEMENT**

Reference is made to the Existing Ping An Financial Services Framework Agreement entered into between the Company and certain subsidiaries of Ping An which will expire on 31 December 2022. On 16 November 2022, the Company and Ping An Member Companies entered into the Renewed Ping An Financial Services Framework Agreement, pursuant to which the Group will continue to utilize the financial services available from Ping An Member Companies on a non-exclusive basis as it deems necessary for a period up to 31 December 2025.

Principal terms of the Renewed Ping An Financial Services Framework Agreement are set out below:

- Date: 16 November 2022
- Parties: The Company and Ping An Member Companies (including Ping An Bank, Ping An Wealth Management, Pingyu Factoring, Ping An Property & Casualty, Ping An Annuity, Ping An Real Estate and Ping An Asset Management)
- Provisions: The Group will, from time to time, utilize the financial services available from Ping An Member Companies on a non-exclusive basis as it deems necessary. Such services include:
- (a) providing deposit services to the Group, including but not limited to demand deposits, call deposits and term deposits;
  - (b) providing loans to the Group (including trust loan services, insurance debt schemes and other financing services, but excluding entrustment loans) on normal commercial terms where mortgage, pledge or other security over the assets of the Group may be required;
  - (c) arranging entrustment loans for the Group as a financial agent through which funds of one member of the Group may be channeled for use by another member of the Group;

- (d) providing mortgage loan services to customers of the Group where the Group may need to place security deposits with Ping An Member Companies prior to the customers obtaining the property ownership certificates as guarantee provided for the customers of the Group. The security deposits placed with Ping An Member Companies by the Group under the mortgage loan services shall form part of the deposits of the Group placed with Ping An Member Companies under the deposit services and shall be subject to the maximum daily balance of the deposit services;
- (e) providing settlement services to the Group;
- (f) providing factoring services to the Group (including financing factoring services and non-financing factoring services):
  - (i) financing factoring services: the Group will transfer its accounts receivables to Ping An Member Companies, so as to obtain facilities from Ping An Member Companies in the amount equivalent to the carrying amount of the accounts receivables before the accounts receivables fall due. The Group will repurchase its accounts receivables from Ping An Member Companies at the carrying amount at the maturity of the facilities, and pay the interests for the facilities to Ping An Member Companies;
  - (ii) non-financing factoring services: Ping An Member Companies will provide management, collection and consultancy services relating to accounts receivables, as well as supply chain factoring services and relevant management, collection and consultancy services to the Group;
- (g) providing commercial insurance services to the Group on normal commercial terms, including but not limited to various commercial insurance products purchased by the Group for its employees, construction projects, properties, liabilities, etc. based on its own needs; and
- (h) providing any other financial services to the Group as approved by competent authorities such as the CBIRC and the CSRC, including but not limited to wealth management services, notes services and internet banking services.

Term:

The Renewed Ping An Financial Services Framework Agreement shall take effect from 1 January 2023 and expire on 31 December 2025, provided that the deposit services, the loan services and the financing factoring services under the Renewed Ping An Financial Services Framework Agreement shall become effective after the approval from the Independent Shareholders is obtained.

Fees and charges: Fees and charges payable to Ping An Member Companies under the Renewed Ping An Financial Services Framework Agreement are determined on the following basis:

- when providing the deposit services, subject to compliance with regulatory requirements, interest rates shall not be lower than the benchmark interest rates for deposits of the same type and duration as promulgated by the PBOC from time to time, or the interest rates for deposits of the same type and duration as offered by independent commercial banks in the PRC, whichever is higher;
- when providing loans, interest rates shall not be higher than the interest rates offered by independent financial institutions of the same type in the PRC under the same conditions;
- when arranging entrustment loans, the service fees together with the loan interests shall not be higher than the service fees and interests in respect of an entrustment loan of the same duration offered by independent financial institutions of the same type in the PRC under the same conditions;
- when providing mortgage loan services and settlement services, no service fees will be charged;
- when providing factoring services, the service fees together with the interests shall not be higher than the service fees and interests in respect of the same type of factoring services offered by independent factoring companies in the PRC under the same conditions;
- when providing commercial insurance services, the premiums shall not be higher than the premiums in respect of the same type of insurance services offered by independent insurers in the PRC under the same conditions; and
- when providing any other financial services, the fees so charged shall not be higher than the rates offered by independent financial institutions of the same type in the PRC under the same conditions, or, if applicable, the standard rates promulgated by the PBOC from time to time, whichever is lower.

Undertakings: Ping An Member Companies undertake that:

- (i) it will apply all the monies deposited by the Group to such activities as approved by the CBIRC in accordance with the relevant laws and regulations of the PRC;
- (ii) it will provide financial services within the scope permitted by the CBIRC; and
- (iii) it will notify the Company immediately in the event of any change in their credit ratings.

## HISTORICAL FIGURES

For the two years ended 31 December 2021 and the six months ended 30 June 2022, the historical transaction amounts between the Group and Sinochem Finance and between the Group and Ping An Member Companies are as follows:

|  | <b>For the<br/>year ended<br/>31 December 2020</b> | <b>For the<br/>year ended<br/>31 December 2021</b> | <b>For the<br/>six months ended<br/>30 June 2022</b> |
|--|--|--|--|
|  | <i>Approx.<br/>(RMB million)</i>                   | <i>Approx.<br/>(RMB million)</i>                   | <i>Approx.<br/>(RMB million)</i>                     |
| <b><i>Historical transaction amounts between the Group and Sinochem Finance</i></b>  |  |  |  |
| Maximum daily balance of the deposits<br>(including the accrued interest thereon)<br>placed by the Group with Sinochem Finance,<br>calculated as at the close of business each day   | 9,965  | 9,969  | 9,973  |
| <b><i>Historical transaction amounts between the Group and Ping An Member Companies</i></b>  |  |  |  |
| Maximum daily balance of the deposits<br>(including the accrued interest thereon)<br>placed by the Group with Ping An Member<br>Companies, calculated as at the close of<br>business each day  | 5,554  | 5,583  | 1,399  |
| Maximum daily balance of the loans<br>(including the accrued interest thereon)<br>provided by Ping An Member Companies to<br>the Group, calculated as at the close of<br>business each day   | 100  | 4,150  | 2,819  |
| Maximum daily balance of the financing<br>factoring services (including the amount<br>of accounts receivables and the accrued<br>interest thereon) provided by Ping An<br>Member Companies to the Group,<br>calculated as at the close of business<br>each day | –  | –  | –  |
| Accumulated transaction amount of<br>all other financial services provided by<br>Ping An Member Companies to the Group   | 11   | 12   | 14   |



## CAP AMOUNTS

The Company expects that for the three years ending 31 December 2025, the cap amounts of the transactions under the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement are as follows:

|  | <b>For the<br/>year ending<br/>31 December 2023<br/>(RMB million)</b> | <b>For the<br/>year ending<br/>31 December 2024<br/>(RMB million)</b> | <b>For the<br/>year ending<br/>31 December 2025<br/>(RMB million)</b> |
|--|---|---|---|
| <b><i>Cap amounts under the Renewed Sinochem Financial Services Framework Agreement</i></b>  |   |   |   |
| Maximum daily balance of the deposits<br>(including the accrued interest thereon)<br>placed by the Group with Sinochem Finance,<br>calculated as at the close of business each day   | 10,000  | 10,000  | 10,000  |
| <b><i>Cap amounts under the Renewed Ping An Financial Services Framework Agreement</i></b>   |   |   |   |
| Maximum daily balance of the deposits<br>(including the accrued interest thereon)<br>placed by the Group with Ping An Member<br>Companies, calculated as at the close of<br>business each day  | 8,000   | 8,000   | 8,000   |
| Maximum daily balance of the loans<br>(including the accrued interest thereon)<br>provided by Ping An Member Companies to<br>the Group, calculated as at the close of<br>business each day   | 10,000  | 10,000  | 10,000  |
| Maximum daily balance of the financing<br>factoring services (including the amount<br>of accounts receivables and the accrued<br>interest thereon) provided by Ping An<br>Member Companies to the Group,<br>calculated as at the close of business<br>each day | 3,000   | 3,000   | 3,000   |
| Annual cap of all other financial services<br>provided by Ping An Member Companies<br>to the Group   | 20  | 21  | 22  |

## BASIS OF CAP AMOUNTS

The Directors have taken into account the following principal factors in estimating the maximum daily balance of the deposits placed by the Group with Sinochem Finance and Ping An Member Companies:

- the need for settlement of amounts payable by the members of the Group during ordinary course of business through their deposit accounts maintained with Sinochem Finance and Ping An Member Companies. Sinochem Finance and Ping An Member Companies do not charge the Group any service fees in respect of the settlement services provided. The Group can deposit a large amount of its funds with Sinochem Finance and Ping An Member Companies to utilize the settlement services free of charge;

- the strategies in respect of the treasury management of the Group. The Company monitors and takes measures to manage its cash balance from time to time, taking into consideration factors including, among others, the Company's dividend policy, working capital, business expansion and debt management needs. Placing cash deposits as savings into financial institutions (such as Sinochem Finance and Ping An Member Companies) is one of the options that may be adopted by the Company from time to time;
- the business development and financial needs of the Group. The total assets of the Group has increased from approximately RMB334,881.4 million as at 31 December 2019 to approximately RMB431,842.6 million as at 30 June 2022, an increase of approximately 29.0%, and the balance of monetary fund of the Group has increased from approximately RMB25,457 million as at 31 December 2019 to approximately RMB42,322 million as at 30 June 2022, an increase of approximately 66.2%. Along with the business growth of the Group, it is expected that the Group's demand for financial services (including the deposit services) will continue to rise;
- the utilization of the maximum daily balance of the deposit services under the Existing Sinochem Financial Services Framework Agreement and the Existing Ping An Financial Services Framework Agreement. The historical maximum amount of the deposits placed by the Group with Sinochem Finance for the two years ended 31 December 2021 and the six months ended 30 June 2022 represents an utilization rate of more than 99% of the maximum daily balance under the Existing Sinochem Financial Services Framework Agreement, and historical maximum amount of the deposits placed by the Group with Ping An Member Companies for the same period represents an utilization rate of approximately 70% of the maximum daily balance under the Existing Ping An Financial Services Framework Agreement; and
- the Group will utilize the services of Sinochem Finance and Ping An Member Companies on a voluntary and non-exclusive basis and is not obliged to engage Sinochem Finance and Ping An Member Companies for any particular services. The maximum daily balance of the deposit services only represents the highest daily amount of deposits that the Group may place with Sinochem Finance and Ping An Member Companies and there are no obligations for the Group to deposit such amounts with Sinochem Finance and Ping An Member Companies. Setting the maximum daily balance of the deposits placed will enable the Group to have a greater flexibility in selecting deposit service providers and allocating its resources.

The Directors have taken into account the following principal factors in estimating the maximum daily balance of the loan services and the financial factoring services provided by Ping An Member Companies to the Group:

- the balance of the interest-bearing bank and other borrowings of the Group as at 30 June 2022 was approximately RMB114,172 million. The aggregated maximum daily balance of the loan services and the financing factoring services of RMB13,000 million for each of the three years ending 31 December 2025 only accounted for approximately 11.4% of the balance of the interest-bearing bank and other borrowings of the Group as at 30 June 2022, which is considered to be a reasonable proportion and allocation among the Group's financial service providers. In addition, the maximum balance of the unreleased mortgage loans of the Group (which may form part of the accounts receivables to be transferred by the Group to Ping An Member Companies under the financing factoring services) during the past three years was over RMB12,800 million, which is more than four times of the amount of the maximum daily balance of the financing factoring services;

- real estate is a capital-intensive industry, and the Group needs funds for its future development. The Renewed Ping An Financial Services Framework Agreement has provided the Group with a source of financing that it can choose to use when it deems appropriate, which helps the Group to maintain initiative and flexibility in its development in the market that is in line with industry policies changing from time to time. Ping An Member Companies are high quality financial service providers in the market. The Group intends to obtain financing from Ping An Member Companies, so as to expand its financing channels and ensure the safety of its funding chain; and
- the maximum daily balance of the loan services and the financing factoring services only represents the highest daily amount of loans and factoring financing that the Group may obtain from Ping An Member Companies and there are no obligations for the Group to engage Ping An Member Companies for such services. Setting the maximum daily balance of the loan services and the financial factoring services will enable the Group to have a greater flexibility in selecting financial service providers.

The Directors have taken into account the following principal factors in estimating the annual caps of all other financial services provided by Ping An Member Companies to the Group:

- the growth trend of the historical transaction amounts of such services. In particular, the accumulated transaction amount of such services for the six months ended 30 June 2022 has exceeded the annual transaction amount for each of the two years ended 31 December 2021; and
- the increase in the Group's demand for commercial insurance services, particularly the employee insurance and employer's liability insurance, as estimated by the Group based on its business development and the number of its employees.

## **INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES**

In order to protect the interests of the Shareholders, the Company will adopt the following internal control procedures and corporate governance measures in relation to its utilization of the financial services provided by Sinochem Finance and Ping An Member Companies:

- The deposits will be placed by the Group with Sinochem Finance and Ping An Member Companies on a voluntary and non-exclusive basis. Before placing any deposit with Sinochem Finance and Ping An Member Companies, the Company will obtain and compare against at least two comparable interest rates of deposits of the same type and duration from independent commercial banks, and the benchmark deposit interest rates promulgated by the PBOC at the time of transaction;
- Prior to the entering into of any agreements with respect to loans, credit facilities, factoring services or commercial insurance services by any member of the Group with Sinochem Finance and Ping An Member Companies, the Company will obtain at least two quotations for loans of the same duration, credit facilities of the same nature, factoring services of the same type or commercial insurances of the same insurance type (as the case may be) from independent financial institutions;

- The comparable interest rates of deposits from independent commercial banks and the benchmark deposit interest rates promulgated by the PBOC (for the placing of deposits), or the quotations from independent financial institutions (for the entering into of any agreements with respect to loans, credit facilities, factoring services or commercial insurance services), as the case may be, together with the terms offered by Sinochem Finance and Ping An Member Companies, will upon being obtained be submitted to the finance and other relevant departments of the Company for review, to ensure that the terms offered by Sinochem Finance and Ping An Member Companies are in strict compliance with the terms and conditions (including the pricing terms) under the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement, respectively, and are no less favourable to the Group than those offered by independent financial institutions;
- For the entering into of any agreements with respect to loans, credit facilities, factoring services or commercial insurance services, following the review by the finance and other relevant departments of the Company, the quotations from independent financial institutions and the offer from Sinochem Finance and Ping An Member Companies will be sent to the chief financial officer of the Company for review. The chief financial officer will seek approval from the chief executive officer of the Company on whether to accept the terms offered by Sinochem Finance and Ping An Member Companies as and when appropriate;
- The Company will report to the independent non-executive Directors every year on:
  - (i) the implementation of the specific agreements entered into by the members of the Group pursuant to the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement, and the utilization rate of annual caps;
  - (ii) any change in the credit ratings of Sinochem Finance and Ping An Member Companies;
- The Company will monitor the status of its deposits, loans and other transactions with Sinochem Finance and Ping An Member Companies through the internet banking services provided by Sinochem Finance and Ping An Member Companies.

The Board considers that the above internal control procedures and corporate governance measures adopted by the Company in relation to the continuing connected transactions with Sinochem Finance and Ping An Member Companies are appropriate and sufficient, and that the procedures and measures give sufficient assurance to the Independent Shareholders that the continuing connected transactions will be appropriately monitored by the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED SINOCHEM FINANCIAL SERVICES FRAMEWORK AGREEMENT AND THE RENEWED PING AN FINANCIAL SERVICES FRAMEWORK AGREEMENT**

The Directors are of the view that the risk profile of Sinochem Finance and Ping An Member Companies, as providers of financial services to the Group, is not greater than those of the independent commercial banks in the PRC because:

- Sinochem Finance is regulated by the PBOC and the CBIRC, and it must comply with the relevant rules and operational requirements promulgated by the above authorities, including the capital risk guidelines and requisite capital adequacy ratio requirements. Ping An Member

Companies are subject to the supervision of the CBIRC directly or indirectly. Accordingly, the risks that the Group is exposed to when receiving financial services from Sinochem Finance and Ping An Member Companies will not be higher than receiving those from independent financial institutions;

- according to the relevant laws and regulations promulgated by the CBIRC and the articles of association of Sinochem Finance, in the event that Sinochem Finance falls into financial difficulty, Sinochem Corporation, being the holding company of Sinochem Finance, will under an obligation to take all necessary steps, such as injecting capital into Sinochem Finance based on its funding needs, to restore its financial position; and
- according to the Renewed Sinochem Financial Services Framework Agreement, the Group will have a right of set-off. In the event that the Group fails to recover any amount it deposits with Sinochem Finance, the Group will have the right to offset against any outstanding amounts due to Sinochem Finance by the Group. Sinochem Finance does not have such right of set-off under the Renewed Sinochem Financial Services Framework Agreement.

The Directors also take the view that the utilization of financial services provided by Sinochem Finance and Ping An Member Companies has the following advantages:

- Sinochem Finance and Ping An Member Companies have been providing financial services to the Group for many years, and have an in-depth understanding of the Group's business and development needs. They can assist the Group to formulate a beneficial deposit mix that will increase the return on funds and maintain the sufficiency and flexibility of the working capital;
- Sinochem Finance and Ping An Member Companies do not charge the Group any service fees in respect of the settlement services provided. As Sinochem Finance and Ping An Member Companies are familiar with the business and transaction pattern of the Group, the settlement services provided by them tend to provide a more efficient and orderly platform than those provided by independent financial institutions. This also helps to reduce the transaction costs payable by the Group, such as handling fees for transfer of funds and other administrative expenses;
- as a large-scale developer and operator of real estate projects, the Group has financing needs and other financial services needs from time to time for land acquisition and other daily operations. Sinochem Finance and Ping An Member Companies can offer reliable and stable finance resource and mid-term and long-term credit line for the Group, therefore optimizing the funding structure of the Group;
- in any event, the Group may discontinue the use of the financial services provided by Sinochem Finance and Ping An Member Companies without incurring any extra cost if any independent financial institution of the same type offers more favorable terms in respect of these financial services. The entering into of the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement will provide more options and greater flexibility to the Group in selecting financial service providers and will be conducive to the Group's full and reasonable utilization of market resources.

The Directors (excluding the independent non-executive Directors whose opinions will be set out in the letter from the Independent Board Committee to be included in the circular) consider that the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement are entered into after arm's length negotiations and on normal commercial terms, and the terms of the transactions under the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement and the related caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. LI Fanrong, Mr. LI Fuli and Mr. CHENG Yong are director and/or employee of Sinochem Holdings, they are regarded as having material interests in the transactions contemplated under the Renewed Sinochem Financial Services Framework Agreement and have abstained from voting on the Board resolution to approve such transactions. As Mr. CHEN Chuan is an employee of Ping An, he is regarded as having material interests in the transactions contemplated under the Renewed Ping An Financial Services Framework Agreement and has abstained from voting on the Board resolution to approve such transactions.

## **INFORMATION REGARDING THE PARTIES**

### **The Company**

The Company is a large-scale developer and operator of quality real estate projects in the PRC, and the platform enterprise of Sinochem Holdings 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 Finance**

Sinochem Finance is a financial service company regulated by the PBOC and the CBIRC. It is committed to providing synergized settlement, financing and financial management and financial consulting services to Sinochem Holdings and its associates. Sinochem Finance is ultimately owned by Sinochem Holdings. 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. The sole shareholder of Sinochem Holdings is the SASAC.

### **Ping An Member Companies**

Ping An, together with its subsidiaries, is an insurance and financial service group in the PRC, and is capable of providing a wide range of insurance and financial services and products to corporate and retail customers. A shares (stock code 601318) and H shares (stock code 2318) of Ping An are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively.

Ping An Bank, a subsidiary of Ping An, is subject to the supervision of the CBIRC and is principally engaged in commercial banking businesses including deposits and loans, settlement and exchange, and the shares of which are listed on the Shenzhen Stock Exchange.

Ping An Wealth Management, a subsidiary of Ping An, is principally engaged in businesses including public and private issuance of wealth management products, financial advisory and consulting, and other asset management related businesses.

Pingyu Factoring, a subsidiary of Ping An, is principally engaged in businesses including consultancy service relating to factoring and commercial factoring.

Ping An Property & Casualty, a subsidiary of Ping An, is principally engaged in various kinds of insurance related businesses approved by the CBIRC including property and casualty insurance.

Ping An Annuity, a subsidiary of Ping An, is principally engaged in businesses approved by the CBIRC including pension insurance, life insurance, health insurance and corporate annuity.

Ping An Real Estate, a subsidiary of Ping An, is principally engaged in investment management, investment consultancy, investment holding, entrusted management of equity investment fund and entrusted fund management businesses.

Ping An Asset Management, a subsidiary of Ping An, is principally engaged in proprietary fund management, insurance fund management, entrusted fund management and fund management related consultancy businesses.

## **IMPLICATIONS UNDER THE LISTING RULES**

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 35.27% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As Sinochem Finance is owned as to 37% by Sinochem Holdings and as to 61.12% in aggregate by Sinochem Corporation (an indirect subsidiary of Sinochem Holdings) and its subsidiary, Sinochem Finance is a connected person of the Company. The transactions under the Renewed Sinochem Financial Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules:

- (i) As one or more of the applicable percentage ratios of the maximum daily balance in respect of the deposit services under the Renewed Sinochem Financial Services Framework Agreement are more than 25% but less than 100%, the deposit services (including the maximum daily balance) are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and also constitute a major transaction under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements thereunder;
- (ii) The loan services (excluding entrustment loans) under the Renewed Sinochem Financial Services Framework Agreement are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements as the provision of such loans constitutes a financial assistance received by the Group from a connected person, which is conducted on normal commercial terms or better and is not secured by the assets of the Group pursuant to Rule 14A.90 of the Listing Rules;
- (iii) All other financial services under the Renewed Sinochem Financial Services Framework Agreement are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements as such financial services are provided on normal commercial terms or better and the Company expects that the aggregated annual fees and charges payable to Sinochem Finance in respect of such services will not exceed the de minimis threshold of 0.1% pursuant to Rule 14A.76(1)(a) of the Listing Rules.

Ping An, through its subsidiary, holds approximately 14.08% of the total number of issued shares of the Company, and is therefore a connected person of the Company. Each of Ping An Member Companies is a subsidiary of Ping An, and also a connected person of the Company. The transactions under the Renewed Ping An Financial Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules:

- (i) As one or more of the applicable percentage ratios of the maximum daily balance in respect of the deposit services under the Renewed Ping An Financial Services Framework Agreement are more than 25% but less than 100%, the deposit services (including the maximum daily balance) are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and also constitute a major transaction under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements thereunder;
- (ii) As one or more of the applicable percentage ratios of the maximum daily balance in respect of the loan services and the financing factoring services on an aggregated basis under the Renewed Ping An Financial Services Framework Agreement are more than 5%, the loan services and the financing factoring services (including the aggregate maximum daily balance) are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as one or more of the applicable percentage ratios of the maximum daily balance in respect of the financing factoring services are more than 5% but less than 25%, the financing factoring services also constitute a discloseable transaction under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements thereunder;
- (iii) As one or more of the applicable percentage ratios of the annual caps in respect of all other financial services under the Renewed Ping An Financial Services Framework Agreement are more than 0.1% but less than 5%, such services are subject to the reporting, announcement and annual review requirements, but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of (i) the deposit services (including the maximum daily balance) under the Renewed Sinochem Financial Services Framework Agreement, and (ii) the deposit services (including the maximum daily balance) as well as the loan services and the financing factoring services (including the aggregate maximum daily balance) under the Renewed Ping An Financial Services Framework Agreement. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing the details of the Renewed Sinochem Financial Services Framework Agreement and the Renewed Ping An Financial Services Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, together with a notice of the extraordinary general meeting will be dispatched to the Shareholders on or before 7 December 2022.



## DEFINITIONS

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

|  |  |
|--|--|
| “associate(s)”   | has the meaning ascribed to it under the Listing Rules   |
| “Board”  | the board of Directors   |
| “CBIRC”  | the China Banking and Insurance Regulatory Commission  |
| “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   |
| “controlling shareholder(s)”                               | has the meaning ascribed to it under the Listing Rules   |
| “CSRC”   | the China Securities Regulatory Commission   |
| “Director(s)”  | the director(s) of the Company   |
| “Existing Ping An Financial Services Framework Agreement”  | the financial services framework agreement dated 18 March 2020 entered into between the Company and certain subsidiaries of Ping An, which will expire on 31 December 2022   |
| “Existing Sinochem Financial Services Framework Agreement” | the financial services framework agreement dated 7 July 2020 entered into between the Company and Sinochem Finance, which will expire on 31 December 2022  |
| “Group”  | the Company and its subsidiaries   |
| “Hong Kong”  | the Hong Kong Special Administrative Region of the PRC   |
| “Independent Board Committee”                              | the independent committee of the Board comprising all independent non-executive Directors, namely Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei, formed to advise the Independent Shareholders in respect of (i) the deposit services (including the maximum daily balance) under the Renewed Sinochem Financial Services Framework Agreement, and (ii) the deposit services (including the maximum daily balance) as well as the loan services and the financing factoring services (including the aggregate maximum daily balance) under the Renewed Ping An Financial Services Framework Agreement |

|   |   |
|---|---|
| “Independent Shareholders”                        | Shareholders who are not required to abstain from voting at the EGM, i.e. Shareholders other than Sinochem Holdings and its associates for the purpose of approving the deposit services (including the maximum daily balance) under the Renewed Sinochem Financial Services Framework Agreement; and Shareholders other than Ping An and its associates for the purpose of approving the deposit services (including the maximum daily balance) as well as the loan services and the financing factoring services (including the aggregate maximum daily balance) under the Renewed Ping An Financial Services Framework Agreement   |
| “Listing Rules”                                   | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Opus Capital” or “Independent Financial Adviser” | Opus Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the deposit services (including the maximum daily balance) under the Renewed Sinochem Financial Services Framework Agreement, and (ii) the deposit services (including the maximum daily balance) as well as the loan services and the financing factoring services (including the aggregate maximum daily balance) under the Renewed Ping An Financial Services Framework Agreement |
| “PBOC”  | the People’s Bank of China, the central bank of the PRC   |
| “Ping An”   | Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company established in the PRC with limited liability, the A shares (stock code: 601318) and H shares (stock code: 2318) of which are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively   |
| “Ping An Annuity”                                 | Ping An Annuity Insurance Company of China, Ltd. (平安養老保險股份有限公司), a company established in the PRC with limited liability, and a subsidiary of Ping An   |
| “Ping An Asset Management”                        | Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司), a company established in the PRC with limited liability, and a subsidiary of Ping An   |
| “Ping An Bank”                                    | Ping An Bank Co., Ltd. (平安銀行股份有限公司), a company established in the PRC with limited liability, and a subsidiary of Ping An, the shares of which are listed on the Shenzhen Stock Exchange  |

|   |   |
|---|---|
| “Ping An Member Companies”                                | Ping An Bank, Ping An Wealth Management, Pingyu Factoring, Ping An Property & Casualty, Ping An Annuity, Ping An Real Estate and Ping An Asset Management               |
| “Ping An Property & Casualty”                             | Ping An Property & Casualty Insurance Company of China, Ltd. (中國平安財產保險股份有限公司), a company established in the PRC with limited liability, and a subsidiary of Ping An     |
| “Ping An Real Estate”                                     | Ping An Real Estate Co., Ltd. (平安不動產有限公司), a company established in the PRC with limited liability, and a subsidiary of Ping An   |
| “Ping An Wealth Management”                               | Ping An Wealth Management Co., Ltd. (平安理財有限責任公司), a company established in the PRC with limited liability, and a subsidiary of Ping An                                  |
| “Pingyu Factoring”  | Shenzhen Qianhai Pingyu Commercial Factoring Co., Ltd. (深圳市前海平裕商業保理有限公司), a company established in the PRC with limited liability, and a subsidiary of Ping An          |
| “PRC”   | the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan                      |
| “Renewed Ping An Financial Services Framework Agreement”  | the financial services framework agreement dated 16 November 2022 entered into between the Company and Ping An Member Companies   |
| “Renewed Sinochem Financial Services Framework Agreement” | the financial services framework agreement dated 16 November 2022 entered into between the Company and Sinochem Finance   |
| “RMB”   | Renminbi, the lawful currency of the PRC  |
| “SASAC”   | the State-owned Assets Supervision and Administration Commission of the State Council of the PRC  |
| “Shareholder(s)”  | holder(s) of ordinary share(s) of the Company   |
| “Sinochem Corporation”                                    | Sinochem Corporation (中國中化股份有限公司), a company with limited liability established under the laws of the PRC, and an indirect wholly-owned subsidiary of Sinochem Holdings |
| “Sinochem Finance”  | Sinochem Finance Co., Ltd. (中化集團財務有限責任公司), a company with limited liability established under the laws of the PRC, and a subsidiary of Sinochem Corporation             |

|                     |  |
|---------------------|--|
| “Sinochem Holdings” | Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司), a state-owned enterprise established in the PRC, which is wholly owned by the SASAC |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited  |
| “subsidiary(ies)”   | has the meaning ascribed to it under the Listing Rules   |
| “%”                 | per cent   |

By order of the Board  
**China Jinmao Holdings Group Limited**  
**LI Fanrong**  
*Chairman*

Hong Kong, 16 November 2022

*As at the date of this announcement, the Directors of the Company are Mr. LI Fanrong (Chairman), Mr. LI Fuli, Mr. AN Hongjun, Mr. CHENG Yong and Mr. CHEN Chuan 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.*