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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
CONNECTED TRANSACTION UNDER
PROJECT DEVELOPMENT ENTRUSTED MANAGEMENT CONTRACT

The Board announces that on 30 December 2022, the Company and its indirect wholly-owned subsidiary, Shijiazhuang Baobo, entered into the Project Development Entrusted Management Contract with Sinochem Holdings and its indirect wholly-owned subsidiary, Sinochem Xiong'an, pursuant to which Shijiazhuang Baobo will provide management services to Sinochem Xiong'an in relation to the development and construction of the Project.

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 36.40% of the total issued shares of the Company, and is therefore a connected person of the Company. Sinochem Xiong'an is an indirect wholly-owned subsidiary of Sinochem Holdings and is also a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

The Board announces that on 30 December 2022, the Company and its indirect wholly-owned subsidiary, Shijiazhuang Baobo, entered into the Project Development Entrusted Management Contract with Sinochem Holdings and its indirect wholly-owned subsidiary, Sinochem Xiong'an, pursuant to which Shijiazhuang Baobo will provide management services to Sinochem Xiong'an in relation to the development and construction of the Project.

PRINCIPAL TERMS OF THE PROJECT DEVELOPMENT ENTRUSTED MANAGEMENT AGREEMENT

The principal terms of the Project Development Entrusted Management Agreement are set out below:

Date: 30 December 2022

Parties:

- Sinochem Holdings and its indirect wholly-owned subsidiary, Sinochem Xiong'an (as the entrusting party)
- The Company and its indirect wholly-owned subsidiary, Shijiazhuang Baobo (as the entrusted party)

Scope of services: Shijiazhuang Baobo will provide management services to Sinochem Xiong'an in relation to the development and construction of the Project, mainly involving the preliminary planning and coordination, planning and design, cost control, project construction, completion and delivery, financial management, human resources and administrative management of the Project. Sinochem Holdings and Sinochem Xiong'an will be responsible for all the funds required for the development and construction of the Project.

The Project is located in the Xiong'an New Area, Hebei Province, with a site area of approximately 12,110 sq.m. and a planned total gross floor area of approximately 114,139 sq.m., which is intended to be used by Sinochem Holdings as its office headquarters upon completion.

Term: From the date of signing of the Project Development Entrusted Management Agreement to the date of expiry of one-month period after the completion of construction, delivery and cost settlement of the Project.

Service fee: Sinochem Xiong'an shall pay a service fee of 5% of the construction cost of the Project to Shijiazhuang Baobo for its provision of management services under the Project Development Entrusted Management Contract, which is expected to be no more than RMB113,110,000 in aggregate. Sinochem Xiong'an shall pay Shijiazhuang Baobo the first instalment of the service fee of RMB50,000,000 and the subsequent instalments of the service fee of RMB10,000,000 each on a quarterly basis in accordance with the terms of the Project Development Entrusted Management Contract. Upon completion of construction, delivery and cost settlement of the Project, Sinochem Xiong'an shall pay to Shijiazhuang Baobo the difference (if any) between the final amount of service fee determined based on the actual construction cost and the amount paid by Sinochem Xiong'an.

The above service fee was determined after arm's length negotiations between the parties based on the scale of the Project and the anticipated construction costs, as well as the scope and anticipated workload of the services to be provided by Shijiazhuang Baobo to Sinochem Xiong'an.

REASONS FOR AND BENEFITS OF THE TRANSACTION

With many years of experience in property development, the Group has established a sound quality control system and an extended value service system for property development, and accumulated a large number of excellent management personnel. The provision of asset-light property development management services is in line with the Group's development strategy as a city operator and the development direction of its real estate business. Participating in the construction of landmark office buildings in the Xiong'an Corporate Headquarters Zone in collaboration with shareholder's resources will strengthen the Group's ability of entrusted construction and management, and expand the Group's business landscape for the entrusted construction of green buildings under the Jinmao brand.

The Directors (including the independent non-executive Directors) are of the view that the Transaction is conducted in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole. Mr. LI Fanrong, Mr. LI Fuli and Mr. CHENG Yong, being directors and/or employees of Sinochem Holdings, are deemed to have a material interest in the Transaction and have abstained from voting on the Board resolution approving the Transaction.

LISTING RULES IMPLICATIONS

Sinochem Holdings is the ultimate controlling shareholder of the Company, indirectly holding approximately 36.40% of the total issued shares of the Company, and is therefore a connected person of the Company. Sinochem Xiong'an is an indirect wholly-owned subsidiary of Sinochem Holdings and is also a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement 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 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.

Shijiazhuang Baobo is an indirect wholly-owned subsidiary of the Company and is principally engaged in property development and operation in the PRC.

Sinochem Holdings is the ultimate controlling shareholder of the Company. It 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 operation, and industrial finance. The sole shareholder of Sinochem Holdings is the SASAC.

Sinochem Xiong'an is an indirect wholly-owned subsidiary of Sinochem Holdings and is principally engaged in real estate construction, leasing and operation management in Xiong'an, Hebei Province, the PRC.

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 meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Project”	the office building project to be constructed on land parcel No.15 in Corporate Headquarters Zone, Xiong’an New Area Startup Zone, Hebei Province, the PRC
“Project Development Entrusted Management Agreement”	the project development entrusted management contract entered into by the Company and Shijiazhuang Baobo with Sinochem Holdings and Sinochem Xiong’an on 30 December 2022
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shijiazhuang Baobo”	Shijiazhuang Baobo Real Estate Development Co., Ltd. (石家莊保博房地產開發有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary 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, which is wholly owned by the SASAC

“Sinochem Xiong’an”	Sinochem Holdings Xiong’an Property Co., Ltd. (中化控股雄安置業有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Sinochem Holdings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the provision of management services by Shijiazhuang Baobo to Sinochem Xiong’an in relation to the development and construction of the Project under the Project Development Entrusted Management Contract

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

Hong Kong, 30 December 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.