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Jiumaojiu International Holdings Limited

九毛九国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9922)

DISCLOSEABLE TRANSACTION ACQUISITION OF 26% EQUITY INTERESTS AND SALE DEBTS IN THE TARGET COMPANY

The Board is pleased to announce that, on September 29, 2022 (after trading hours), JMJ Holdings (an indirect wholly-owned subsidiary of the Company), Zhongshan CG and the Target Company entered into the Sale and Purchase Framework Agreement, in relation to the acquisition of the Target Equity Interests and the Sale Debts by JMJ Holdings.

Upon completion of the Acquisition, the Group will hold 26% of the equity interests in the Target Company, and the Target Company will become an associate of the Company.

Subject to satisfaction of the Option Conditions, which can be waived by JMJ Holdings in writing, JMJ Holdings may by written notice to Zhongshan CG require Zhongshan CG to withdraw from the Target Company whether by way of transfer of all equity interests in the Target Company then held by Zhongshan CG to the Group or capital reduction and in a manner to be agreed by JMJ Holdings and Zhongshan CG, provided that JMJ Holdings shall not be obliged to pay any additional consideration to Zhongshan CG.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios in respect of the Sale and Purchase Framework Agreement are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The grant of the Option to JMJ Holdings would be treated as notifiable transactions and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. According to Rule 14.75(1) of the Listing Rules, on the grant of the Option (the exercise of which is at the discretion of JMJ Holdings), only the premium will be taken into consideration for calculating the percentage ratios. As nil premium is payable on the grant of the Option, such grant will not constitute notifiable transaction of the Company. The Company will comply with the requirements under the Listing Rules on any exercise of the Option as and when appropriate.

The Board is pleased to announce that, on September 29, 2022 (after trading hours), JMJ Holdings (an indirect wholly-owned subsidiary of the Company), Zhongshan CG and the Target Company entered into the Sale and Purchase Framework Agreement, pursuant to which the Group agreed to acquire 26% equity interests in the Target Company and the Sale Debts.

PRINCIPAL TERMS OF THE SALE AND PURCHASE FRAMEWORK AGREEMENT

Date : September 29, 2022 (after trading hours)

Parties : Zhongshan CG as vendor
JMJ Holdings as purchaser

Target Company as target company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the date of this announcement, Zhongshan CG and the Target Company and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject Matter

Pursuant to the terms of the Sale and Purchase Framework Agreement and subject to the conditions therein, JMJ Holdings has agreed to acquire (i) 26% equity interests in the Target Company and (ii) all rights and interests in the Sale Debts.

The Target Company is principally engaged in real estate development and property management. It has obtained the land use right in respect of the Target Land located at Guangzhou International Financial City, Tianhe district, Guangzhou and is engaged in the construction and development of the Guangzhou IFC Mall Project at the Target Land.

The Guangzhou IFC Mall Project to be developed by the Target Company, when completed, will be a large-scale commercial and office project, namely, the Target Property. The Target Property will comprise, among others, (i) the Commercial and Office Premises and (ii) the Car Parking Spaces. The expected gross floor area of the Commercial and Office Premises is estimated to represent approximately 26% of the expected total gross floor area of Guangzhou IFC Mall Project.

The Guangzhou IFC Mall Project has commenced construction and its development is currently estimated to be completed by 2026.

Acquisition

The acquisition of the Target Equity Interests will be undertaken in tranches in the following manner:

(i) First Tranche Acquisition

Pursuant to the terms of the Sale and Purchase Framework Agreement, JMJ Holdings agreed to acquire, and Zhongshan CG agreed to sell, (i) the Target Equity Interest I, representing 1% of the equity interests in the Target Company and (ii) all rights and interests in the Sale Debt I, at an aggregate consideration of RMB650,000,000.

(ii) Second Tranche Acquisition

Pursuant to the terms of the Sale and Purchase Framework Agreement and subject to the Second Tranche Conditions, JMJ Holdings agreed to acquire, and Zhongshan CG agreed to sell, the Target Equity Interest II, representing 25% of the equity interests in the Target Company at a consideration equal to the paid-up capital of the Target Company of which Target Equity Interest II represent, which will be settled by JMJ Holdings' assignment of part of the Sale Debts with face value equal to such consideration then held by JMJ Holdings to Zhongshan CG.

The completion of the transfer of the Target Equity Interest II shall be conditional upon the written consent from the Other Existing Shareholder having been obtained and the following conditions (the “**Second Tranche Conditions**”) having been satisfied:

- (a) the initial registration of the Guangzhou IFC Mall Project under the name of the Target Company having been obtained;
- (b) the Target Company having delivered the Target Property to JMJ Holdings in accordance with the terms of the Sale and Purchase Framework Agreement and the corresponding paperwork having been completed;
- (c) the Project Related Financing having been repaid in full by the Target Company, and the Target Property having been pledged in favour of JMJ Holdings in accordance with the terms of the Sale and Purchase Framework Agreement. See also “Security — Pledge of the Target Property” below; and
- (d) an agreement to govern the governance, rules of procedure, financial management and other shareholders' rights in respect of the Target Company having been entered into by JMJ Holdings, Zhongshan CG and the Other Existing Shareholder.

Consideration and basis of determination

The Consideration for the Acquisition (including the consideration for the Car Parking Spaces) will be calculated by multiplying (i) the actual gross floor area of the Commercial and Office Premises to be stated in the surveyor's inspection report by (ii) the unit price of RMB33,011.66 per square meter, subject to a maximum Consideration of RMB1,100,000,000.

As of the date of this announcement, the estimated gross floor area of the Commercial and Office Premises is 30,292.33 square meters. Thus, the estimated Consideration amounted to RMB1,000,000,098.56.

The Consideration will be settled in cash and paid by the internal resources of Group.

The Consideration was determined following arm's length negotiation after taking into account factors such as the chargeable gross floor area, prevailing market price of comparable properties located in the vicinity of similar nature, development scale of the Guangzhou IFC Mall Project and the current market situation.

Terms of Payment for Consideration

The Consideration shall be satisfied in the following manner:

- (i) the First Instalment Consideration of RMB650,000,000, equivalent to the face value of the Sale Debt I, shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the First Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the First Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG;
- (ii) the Second Instalment Consideration of RMB55,000,000, equivalent to the aggregate of the consideration for Target Equity Interest I of RMB3,535,400 and face value of Sale Debt II of RMB51,464,600, shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the Second Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the Second Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG;
- (iii) the Third Instalment Consideration of RMB55,000,000, equivalent to the face value of the Sale Debt III, shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the Third Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the Third Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG;
- (iv) the Fourth Instalment Consideration of RMB55,000,000, equivalent to the face value of the Sale Debt IV, shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the Fourth Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the Fourth Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG;

- (v) the Fifth Instalment Consideration of RMB55,000,000, equivalent to the face value of the Sale Debt V, shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the Fifth Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the Fifth Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG;
- (vi) the Sixth Instalment Consideration of RMB55,000,000, equivalent to the face value of the Sale Debt VI, shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the Sixth Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the Sixth Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG;
- (vii) the Seventh Instalment Consideration of RMB55,000,000, equivalent to the face value of the Sale Debt VII, shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the Seventh Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the Seventh Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG; and
- (viii) the Balance of Consideration shall be paid by JMJ Holdings to the Stakeholders Account the next Working Day following the satisfaction of the Eighth Payment Conditions, and shall be released to Zhongshan CG's designated bank account upon satisfaction of the Eighth Settlement Conditions and written instruction from both JMJ Holdings and Zhongshan CG.

First Instalment of Consideration

The deposit of the First Instalment Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**First Payment Conditions**”):

- (i) shareholders' resolution of (1) the Target Company approving the transactions contemplated under the Sale and Purchase Framework Agreement, and (2) the Other Existing Shareholder approving to waive its rights to exercise right of first refusal, and the corresponding notice from Zhongshan CG to the Other Existing Shareholder having been delivered to JMJ Holdings by Zhongshan CG;
- (ii) shareholders' resolutions by the relevant chargors of which the First Pledge relates to having been delivered to JMJ Holdings by Zhongshan CG;
- (iii) the preparation of the relevant documents in relation to the First Pledge having been completed by Zhongshan CG; and
- (iv) the preparation of the transfer documents required for registration having been completed.

Upon satisfaction of the following conditions (the “**First Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the First Instalment Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) the grant of the First Pledge having been duly completed, and JMJ Holdings shall have received the documentary evidence showing JMJ Holdings had first priority interests in the properties to which First Pledge shall relate; and
- (ii) the assignment of the Sale Debt I to JMJ Holdings having been completed and the corresponding deed of assignment having been executed.

Second Instalment of Consideration

The deposit of the Second Instalment Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**Second Payment Conditions**”):

- (i) (if applicable) the preparation of the relevant documents in relation to the Additional Security having been completed by Zhongshan CG;
- (ii) certain construction progress in respect of Guangzhou IFC Mall Project having been completed;
- (iii) Zhongshan CG having provided JMJ Holdings with the information about the escrow account under the name of the Target Company, and the evidence showing that the said account is under the joint escrow of Zhongshan CG and the Other Existing Shareholder, to which Zhongshan CG will transfer part of the First Instalment Consideration; and
- (iv) the registration documents in respect of the transfer of Target Equity Interest I having been submitted to the relevant government authority.

Condition (iv) above can be waived as a Second Payment Condition and be satisfied prior to the Third Payment Condition subject to certain condition specified in the Sale and Purchase Framework Agreement, and in which case the consideration of the Target Equity Interest I of RMB3,535,400 shall be deposited to the Stakeholders Account together with the Third Instalment Consideration.

Upon satisfaction of the following conditions (the “**Second Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the Second Instalment Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) (if applicable) the grant of the Additional Security having been duly completed, and JMJ Holdings having received the documentary evidence showing that JMJ Holdings had first priority interests in the properties to which Additional Security shall relate;
- (ii) the assignment of the Sale Debt II to JMJ Holdings having been completed and the corresponding deed of assignment having been executed; and
- (iii) the transfer of the Target Equity Interest I having been completed, whereupon JMJ Holdings having been registered as the shareholder of the Target Company holding the Target Equity Interest I, the Target Company having issued the relevant capital contribution evidence to JMJ Holdings, and some other necessary registration or filings with the relevant government authorities having been completed.

Condition (iii) above can be waived as a Second Settlement Condition and be satisfied prior to the Third Settlement Condition subject to certain condition specified in the Sale and Purchase Framework Agreement, and in which case the consideration of the Target Equity Interest I of RMB3,535,400 shall be released together with the Third Instalment Consideration.

Third Instalment Consideration

The deposit of the Third Instalment Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**Third Payment Conditions**”):

- (i) (if applicable) the preparation of the relevant documents in relation to the Additional Security having been completed by Zhongshan CG;
- (ii) (if applicable) condition (iii) of the Second Payment Condition having been satisfied; and
- (iii) certain construction progress in respect of Guangzhou IFC Mall Project having been completed.

Upon satisfaction of the following conditions (the “**Third Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the Third Instalment Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) (if applicable) the grant of the Additional Security having been duly completed, and JMJ Holdings having received the documentary evidence showing JMJ Holdings had first priority interests in the properties to which Additional Security shall relate;
- (ii) if condition (iii) of the Second Settlement Condition has not been satisfied, the said condition having been satisfied; and
- (iii) the assignment of the Sale Debt III to JMJ Holdings having been completed and the corresponding deed of assignment having been executed.

Fourth Instalment Consideration

The deposit of the Fourth Instalment Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**Fourth Payment Conditions**”):

- (i) (if applicable) the preparation of the relevant documents in relation to the Additional Security having been completed by Zhongshan CG; and
- (ii) the Target Company having duly obtained the pre-sale consent in respect of the Guangzhou IFC Mall Project.

Upon satisfaction of the following conditions (the “**Fourth Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the Fourth Instalment Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) (if applicable) the grant of the Additional Security having been duly completed, and JMJ Holdings having received the documentary evidence showing JMJ Holdings had first priority interests in the properties to which Additional Security shall relate; and
- (ii) the assignment of the Sale Debt IV to JMJ Holdings having been completed and the corresponding deed of assignment having been executed.

Fifth Instalment Consideration

The deposit of the Fifth Instalment Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**Fifth Payment Conditions**”):

- (i) (if applicable) the preparation of the relevant documents in relation to the Additional Security having been completed by Zhongshan CG; and
- (ii) certain construction progress in respect of Guangzhou IFC Mall Project having been completed.

Upon satisfaction of the following conditions (the “**Fifth Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the Fifth Instalment Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) (if applicable) the grant of the Additional Security having been duly completed, and JMJ Holdings having received the documentary evidence showing JMJ Holdings had first priority interests in the properties to which Additional Security shall relate; and
- (ii) the assignment of the Sale Debt V to JMJ Holdings having been completed and the corresponding deed of assignment having been executed.

Sixth Instalment Consideration

The deposit of the Sixth Instalment Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**Sixth Payment Conditions**”):

- (i) (if applicable) the preparation of the relevant documents in relation to the Additional Security having been completed by Zhongshan CG; and
- (ii) certain construction progress in respect of Guangzhou IFC Mall Project having been completed.

Upon satisfaction of the following conditions (the “**Sixth Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the Sixth Instalment Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) (if applicable) the grant of the Additional Security having been duly completed, and JMJ Holdings having received the documentary evidence showing that JMJ Holdings has first priority interests in the properties to which Additional Security shall relate; and
- (ii) the assignment of the Sale Debt VI to JMJ Holdings having been completed and the corresponding deed of assignment having been executed.

Seventh Instalment Consideration

The deposit of the Seventh Instalment Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**Seventh Payment Conditions**”):

- (i) (if applicable) the preparation of the relevant documents in relation to the Additional Security having been completed by Zhongshan CG; and
- (ii) the Target Company having properly delivered to JMJ Holdings certain portion of Commercial and Office Premises such that JMJ Holdings can commence renovation in respect thereof.

Upon satisfaction of the following conditions (the “**Seventh Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the Seventh Instalment Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) (if applicable) the grant of the Additional Security having been duly completed, and JMJ Holdings having received the documentary evidence showing JMJ Holdings had first priority interests in the properties to which Additional Security shall relate; and
- (ii) the assignment of the Sale Debt VII to JMJ Holdings having been completed and the corresponding deed of assignment having been executed.

Balance of Consideration

The deposit of the Balance of Consideration by JMJ Holdings to the Stakeholders Account shall be conditional upon the following conditions (the “**Eighth Payment Conditions**”):

- (i) (if applicable) the preparation of the relevant documents in relation to the Additional Security having been completed by Zhongshan CG;
- (ii) the Guangzhou IFC Mall Project having been completed and the Target Company having been properly delivered to JMJ Holdings the Target Property in accordance with the terms specified in the Sale and Purchase Framework Agreement; and
- (iii) the Target Company having entered into a long-term lease with JMJ Holdings, to further ensure that JMJ Holdings shall have the right to use the Target Property at nil consideration.

Upon satisfaction of the following conditions (the “**Eighth Settlement Conditions**”), JMJ Holdings and Zhongshan CG shall by written notice cause the Balance of Consideration to be released from the Stakeholders Account to Zhongshan CG’s designated bank account:

- (i) (if applicable) the grant of the Additional Security having been duly completed, and JMJ Holdings having received the documentary evidence showing that JMJ Holdings has first priority interests in the properties to which Additional Security shall relate; and
- (ii) the assignment of the Sale Debt VIII to JMJ Holdings having been completed and the corresponding deed of assignment having been executed.

Pursuant to the Sale and Purchase Framework Agreement, in the event the initial registration in respect of the Guangzhou IFC Mall Project is not completed by Zhongshan CG prior to the stipulated deadline and in accordance with the terms stated in the Sale and Purchase Framework Agreement, the Balance of Consideration shall be refunded to JMJ Holdings and shall only be paid by JMJ Holdings to Zhongshan CG five Working Days after such initial registration shall have been completed.

Closing

The closing date of the First Tranche Acquisition is the date on which the Target Equity Interest I is transferred to, and registered under the name of, JMJ Holdings on the relevant government record and on the register of members.

The closing date of the Second Tranche Acquisition is the date on which the Target Equity Interest II is transferred to, and registered under the name of, JMJ Holdings on the relevant government record and on the register of members.

Security

First Pledge

As security of Zhongshan CG’s performance of its obligations under the Sale and Purchase Framework Agreement, Zhongshan CG shall provide, or procure provision of, First Pledge, in favour of JMJ Holdings. The properties subject to the First Pledge are office and commercial premises located in Panyu District, Guangzhou, the PRC, with an aggregate gross floor area of over 87,000 square meters.

Additional Security

Zhongshan CG shall provide additional security (the “**Additional Security**”) in favour of JMJ Holdings:

- (i) each time further instalment of Consideration is made by JMJ Holdings such that the value of the properties of which the Additional Security relate as determined by independent valuer to be jointly selected by JMJ Holdings and Zhongshan CG shall be no lower than 180% of the Consideration to be paid by JMJ Holdings for that instalment. See also “Terms of Payment for Consideration” above; and
- (ii) if the aggregate value of all properties of which the First Pledge and Additional Security relate as determined by independent valuer to be jointly selected by JMJ Holdings and Zhongshan CG (the “**Secured Value**”) is lower than 150% of the total Consideration paid by JMJ Holdings at the relevant time (the “**Security Reference Value**”) so that the aggregate value of all properties of which the First Pledge and Additional Security relate will be no lower than 180% of Security Reference Value, provided that if Secured Value exceed 180% of Security Reference Value, JMJ Holdings will take actions to release such property as long as the Secured Value will not be lower than 180% of the Security Reference Value.

Pledge of the Target Property

The Target Property shall be pledged in favour of JMJ Holdings upon satisfaction of, among others, the following conditions:

- (i) the construction completion filing of Guangzhou IFC Mall Project having been completed in the manner stated in the Sale and Purchase Framework Agreement;
- (ii) the Project Related Financing having been settled, and provision of documentary evidence by Zhongshan CG showing that the Target Land and the Target Property are not subject to any charges, seizure or encumbrances; and
- (iii) other conditions as stated in the Sale and Purchase Framework Agreement.

Transitional Arrangement for Target Company

During the Transitional Period, Zhongshan CG shall be responsible for the operation and management of the Target Company, the development and construction of the Guangzhou IFC Mall Project including the corresponding property management (exclusive of the Target Property). JMJ Holdings shall be responsible for the operational management of the Target Property.

With effect from Early Entry Date and during the Transitional Period, JMJ Holdings shall have the sole right to management, occupy, use, deal with the Target Property, where directors, senior management, supervisors and other shareholders of the Target Company shall not participate in the same, subject to limitations set out in the Sale and Purchase Framework Agreement in respect of the public spaces in the Target Property.

During the First Transitional Period, JMJ Holdings as shareholder of the Target Company, shall be entitled to exercise 1% voting right at the shareholders' meeting of the Target Company, and customary information rights, and inspection and supervisory rights in respect of the Target Property.

Voting Proxy Agreement

At the beginning of the First Transitional Period, JMJ Holdings shall enter into the Voting Proxy Agreement with Zhongshan CG, pursuant to which, JMJ Holdings and Zhongshan CG agree that, during the term of the Voting Proxy Agreement:

- (i) JMJ Holdings shall have the sole right to occupy, use, the gains from and deal with the Target Property, and save as the aforesaid, all other matters relating to the Target Company shall be decided by Zhongshan CG at its absolute discretion; and
- (ii) In respect of matters of the Target Company that shall be decided by Zhongshan CG at its absolute discretion and should be resolved in a general meeting pursuant to applicable laws and regulations, JMJ Holdings and Zhongshan CG will consult each other and reach an unanimous consensus among themselves on such matters prior to putting forward such resolution to be passed at any shareholders' meeting of the Target Company, and will vote on such resolutions in the same way, provided that in case of disagreement, JMJ Holdings agrees to vote in the same way as decided by Zhongshan CG.

The term of the Voting Proxy Agreement will be from the execution date of the Voting Proxy Agreement and until upon the occurrence of any of the following events (whichever is earlier):

- (i) the date on which JMJ Holdings holds 26% or more equity interest in the Target Company;
- (ii) the date on which supplemental management agreement is entered into between JMJ Holdings, Zhongshan CG and other shareholders of the Target Company in relation to the new meeting rules and management of the Target Company;
- (iii) the date of termination of the Sale and Purchase Framework Agreement;
- (iv) the date of termination of the Voting Proxy Agreement as agreed by JMJ Holdings and Zhongshan CG in writing; and
- (v) the date on which JMJ Holdings or Zhongshan CG ceases to hold any equity interests in the Target Company.

Withdrawal

Withdrawal by Zhongshan CG

Subject to satisfaction of the following conditions (the “**Option Conditions**”), which can be waived by JMJ Holdings in writing, JMJ Holdings may by written notice to Zhongshan CG require Zhongshan CG to withdraw from the Target Company whether by way of transfer of all equity interests in the Target Company then held by Zhongshan CG to the Group or capital reduction and in a manner to be agreed by JMJ Holdings and Zhongshan CG, provided that JMJ Holdings shall not be obliged to pay any additional consideration to Zhongshan CG (the “**Option**”):

- (i) the properties for the Other Existing Shareholder having been properly transferred to the Other Existing Shareholder, and the Other Existing Shareholder cease to hold any equity interests in the Target Company;
- (ii) the Target Company having completed the sale of the properties other than the Target Property and the non-transferable public spaces, and all relevant taxes having been settled in full;
- (iii) in the event that the quality warranty in respect of any part of the properties in the Guangzhou IFC Mall Project has not expired, Zhongshan CG, the Target Company and JMJ Holdings shall enter into an agreement, pursuant to which, Zhongshan CG shall be responsible and liable for the relevant maintenance and repairment obligations after Zhongshan CG’s withdrawal from the Target Company;

- (iv) as of Zhongshan CG's withdrawal date, the Target Property and the equity interests in the Target Company held by Zhongshan CG are not subject to any encumbrances, and there does not exist any pending or on-going litigation, arbitration or other similar legal proceeding of which the Target Property or the Target Company is not subject to or may otherwise relate;
- (v) as of Zhongshan CG's withdrawal date, the Target Company has no outstanding liabilities or contingent liabilities, other than the indebtedness owed to JMJ Holdings;
- (vi) as of Zhongshan CG's withdrawal date, (a) all representations and warranties made by Zhongshan CG and the Target Company under the Sale and Purchase Framework Agreement remain true, accurate and complete, (b) there is no breach of any undertaking or obligations under the Sale and Purchase Framework Agreement by Zhongshan CG and the Target Company, and (c) Zhongshan CG and the Target Company have duly performed all their respective obligations under the Sale and Purchase Framework Agreement; and
- (vii) as of Zhongshan CG's withdrawal date, there has been no material adverse change in respect of the debts or borrowings of the Target Company.

Withdrawal by JMJ Holdings

If one year after the date the Target Property can be legally transferred, Zhongshan CG has not completed its withdrawal from the Target Company, JMJ Holdings shall have the right to (i) require Zhongshan CG to purchase, or require the Target Company to repurchase, the equity interests in the Target Company then held by JMJ Holdings, and (ii) require the Target Company to transfer the Target Property to JMJ Holdings by way of asset transfer, and in each case, JMJ Holdings shall not be required to pay any additional consideration.

INFORMATION ON THE PARTIES

Zhongshan CG

Zhongshan CG is a company established in the PRC with limited liability. It is principally engaged in property development, real estate information consultancy, interior decoration construction and the sales of construction materials.

Zhongshan CG is indirectly wholly-owned by Guangdong Guangbo Property (Group) Co., Ltd.* (廣東廣博房地產(集團)有限公司), a company established under the laws of the PRC with limited liability and directly owned as to 85% by Tianjin Huimeng Zhiye Co., Ltd.* (天津匯萌置業有限公司) and 15% by Guangzhou Chaoyue Financial Consulting Services Co., Ltd.* (廣州市潮越財務諮詢服務有限公司). Tianjin Huimeng Zhiye Co., Ltd.* (天津匯萌置業有限公司) is directly owned as to (i) 64.7% by Foshan Shunde Decheng Property Co., Ltd.* (佛山市順德區德晟房產有限公司), indirectly wholly-owned by Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (stock code: 2007) and (ii) 35.3% by Tianjin Jiatai Technology Co., Ltd.* (天津嘉泰科技有限公司), directly owned as to 30% by Cai Yangtao (蔡楊韜) and 30% by Cai Yangrui (蔡楊睿) and the remaining 40% by three individuals each holding not more than 20% interest in Tianjin Jiatai Technology Co., Ltd.* (天津嘉泰科技有限公司).

The Group

JMJ Holdings is a limited company established under the laws of the PRC on May 27, 2019 and an indirect wholly-owned subsidiary of the Company. The Company is an investment holding company and the Group is a leading Chinese cuisine restaurant brand manager and operator in China, focusing on serving cuisines with quick services, and creating a casual and upscale ambience with modern decoration of our restaurants which are primarily located in shopping malls.

The Target Company

The Target Company is a company established in the PRC with limited liability. The Target Company is principally engaged in real estate development and property management. As of the date of this announcement, the Target Company is owned as to 79% by Zhongshan CG and 21% by the Other Existing Shareholder. The Other Existing Shareholder is wholly-owned by Guangdong Exchange Holding Group (廣東省交易控股集團有限公司).

Set out below is a summary of the financial information of the Target Company for the years ended December 31, 2020 and 2021:

	For the year ended	
	December 31,	
	2020	2021
	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>
Loss before taxation	64,711.27	237,515.41
Loss after taxation	201,322.88	372,165.87

The unaudited book value of the consolidated net assets of the Target Company as of June 30, 2022 was approximately RMB177.7 million.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon completion of the Acquisition, the Group will hold 26% of the equity interests in the Target Company, and the Target Company will become an associate of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Guangzhou IFC Mall Project is located at Guangzhou International Financial City, Tianhe district, Guangzhou, a prime location at the heart of the business and commercial district of Guangzhou. As part of the Group's initiatives to maintain and develop its core culture of youth and trendiness, the Company currently intends to relocate its headquarters to the Target Property with a view to benefiting from the close proximity to the heart of the business, fashion and commercial centre. Besides, the Company also believes that by such relocation, it will enable the Group to attract more outstanding talents sharing the Company's vision to join the Group to support the Group's expansion plans, which in turn is conducive to the long-term development of the Group and in maintaining its market position as a leading Chinese cuisine restaurant brand manager and operator in the PRC.

As the Option is exercisable at the sole discretion of JMJ Holdings, it enables and ensures that the Group will obtain full legal title over the Target Property (whether directly or indirectly) subject to satisfaction of Option Conditions should the Group considers appropriate.

The Directors (including independent non-executive Directors) are of the view that the terms of the Sale and Purchase Framework Agreement and the transaction contemplated thereunder (including the Acquisition and the grant of the Option) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios in respect of the Sale and Purchase Framework Agreement are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The grant of the Option to JMJ Holdings would be treated as notifiable transactions and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. According to Rule 14.75(1) of the Listing Rules, on the grant of the Option (the exercise of which is at the discretion of JMJ Holdings), only the premium will be taken into consideration for calculating the percentage ratios. As nil premium is payable on the grant of the Option, such grant will not constitute notifiable transaction of the Company. The Company will comply with the requirements under the Listing Rules on any exercise of the Option as and when appropriate.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms and expressions shall have the following meanings:

“Acquisition”	the acquisition of the Target Equity Interests and the Sale Debts by JMJ Holdings in accordance with the Sale and Purchase Framework Agreement
“Additional Security”	the additional pledge(s) to be granted by Zhongshan CG in favour of JMJ Holdings and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Security — Additional Security” of this announcement
“Balance of Consideration”	the remaining balance of the Consideration, calculated by the Consideration minus RMB980,000,000
“Board”	the board of directors of the Company
“Car Parking Spaces”	3 floors of car parking spaces in the Target Property
“Commercial and Office Premises”	13 floors of commercial and office premises in the Target Property with an estimated gross floor area of approximately 30,292.33 square meters
“Company”	Jiumaojiu International Holdings Limited (九毛九国际控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meanings ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition of up to RMB1,100,000,000

“Director(s)”	director(s) of the Company
“Early Entry Date”	the date when JMJ Holdings can enter into the Target Property for use in the manner as stated in the Sale and Purchase Framework Agreement
“Eighth Payment Conditions”	the conditions precedent for the deposit of the Balance of Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Eighth Settlement Conditions”	the conditions precedent for the release of the Balance of Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Fifth Instalment Consideration”	RMB55,000,000
“Fifth Payment Conditions”	the conditions precedent for the deposit of the Fifth Instalment Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Fifth Settlement Conditions”	the conditions precedent for the release of the Fifth Instalment Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“First Instalment Consideration”	RMB650,000,000
“First Payment Conditions”	the conditions precedent for the deposit of the First Instalment Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“First Pledge”	the first legal pledge(s) of certain properties located in Panyu District, Guangzhou, the PRC by Zhongshan CG in favour of JMJ Holdings

“First Settlement Conditions”	the conditions precedent for the release of the First Instalment Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“First Tranche Acquisition”	the acquisition of the Target Equity Interest I and the Sale Debt I by JMJ Holdings
“First Transitional Period”	the period from the date Zhongshan CG received the First Instalment Consideration up to the date falling prior to the Second Closing Date
“Fourth Instalment Consideration”	RMB55,000,000
“Fourth Payment Conditions”	the conditions precedent for the deposit of the Fourth Instalment Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Fourth Settlement Conditions”	the conditions precedent for the release of the Fourth Instalment Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Group”	the Company and its subsidiaries
“Guangzhou IFC Mall Project”	the construction and development project at the Target Land mentioned in the Sale and Purchase Framework Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JMJ Holdings”	Jiumaojiu (Guangzhou) Holdings Limited (九毛九(廣州)控股有限公司), a limited company established under the laws of the PRC on May 27, 2019 and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option”	the option granted to JMJ Holdings in relation to the withdrawal of Zhongshan CG and described in the section headed “Withdrawal — Withdrawal by Zhongshan CG” of this announcement
“Other Existing Shareholder”	Guangdong Element Science Research Institute Co., Ltd.* (廣東要素科學研究院有限公司), a company established in the PRC with limited liability
“percentage ratio”	has the meanings ascribed to it under the Listing Rules
“Project Related Financing”	the loan to be obtained by the Target Company from relevant banks and other financial institutions for the purpose of financing the construction and development of the Guangzhou IFC Mall Project, including pre-financing

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Framework Agreement”	the sale and purchase framework agreement dated September 29, 2022 entered into between Zhongshan CG, JMJ Holdings and the Target Company in relation to the Acquisition
“Sale Debt I”	the shareholder’s loan of RMB650,000,000 due from the Target Company to Zhongshan CG
“Sale Debt II”	the shareholder’s loan of RMB51,464,600 due from the Target Company to Zhongshan CG
“Sale Debt III”	the shareholder’s loan of RMB55,000,000 due from the Target Company to Zhongshan CG
“Sale Debt IV”	the shareholder’s loan of RMB55,000,000 due from the Target Company to Zhongshan CG
“Sale Debt V”	the shareholder’s loan of RMB55,000,000 due from the Target Company to Zhongshan CG
“Sale Debt VI”	the shareholder’s loan of RMB55,000,000 due from the Target Company to Zhongshan CG
“Sale Debt VII”	the shareholder’s loan of RMB55,000,000 due from the Target Company to Zhongshan CG
“Sale Debt VIII”	the remaining shareholder’s loan due from the Target Company to Zhongshan CG
“Sale Debts”	the shareholder’s loan of RMB996,464,699 due from the Target Company to Zhongshan CG to be acquired, or, collectively, Sale Debt I, Sale Debt II, Sale Debt III, Sale Debt IV, Sale Debt V, Sale Debt VI, Sale Debt VII and Sale Debt VIII
“Second Closing Date”	the date on which the Target Equity Interest II is transferred to, and registered under the name of, JMJ Holdings on the relevant government record and on the register of members
“Second Instalment Consideration”	RMB55,000,000

“Second Payment Conditions”	the conditions precedent for the deposit of the Second Instalment Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Second Settlement Conditions”	the conditions precedent for the release of the Second Instalment Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Second Tranche Acquisition”	the acquisition of the Target Equity Interest II by JMJ Holdings
“Second Tranche Conditions”	the conditions precedent to the Second Tranche Acquisition and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement-Acquisition-(ii) Second Tranche Acquisition” of this announcement
“Second Transitional Period”	the period from the Second Closing Date to the date falling prior to the earlier of (i) the date on which JMJ Holdings acquire 26% equity interest in the Target Company or (ii) the date on which JMJ Holdings is registered as owner of the Target Property
“Secured Value”	the aggregate value of all properties of which the First Pledge and Additional Security relate as determined by independent valuer to be jointly selected by JMJ Holdings and Zhongshan CG
“Security Reference Value”	the total Consideration paid by JMJ Holdings at the relevant time under the Sale and Purchase Framework Agreement
“Seventh Instalment Consideration”	RMB55,000,000
“Seventh Payment Conditions”	the conditions precedent for the deposit of the Seventh Instalment Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Seventh Settlement Conditions”	the conditions precedent for the release of the Seventh Instalment Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Sixth Instalment Consideration”	RMB55,000,000

“Sixth Payment Conditions”	the conditions precedent for the deposit of the Sixth Instalment Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Sixth Settlement Conditions”	the conditions precedent for the release of the Sixth Instalment Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Stakeholders Account”	a designated bank account set up for keeping the Consideration in accordance with the Sale and Purchase Framework Agreement, and any funds release therefrom shall be approved by the designated representatives of both JMJ Holdings and Zhongshan CG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangdong Province Property Rights Trading Group Investment Development Co., Ltd.* (廣東省產權交易集團投資開發有限公司), a company established in the PRC with limited liability
“Target Equity Interest I”	1% equity interest in the Target Company
“Target Equity Interest II”	25% equity interests in the Target Company
“Target Equity Interests”	26% equity interests in the Target Company
“Target Property”	the large-scale commercial and office project to be constructed on the Target Land under the Guangzhou IFC Mall Project
“Target Land”	certain parcels of land located at Guangzhou International Financial City situated at Tianhe district, Guangzhou
“Third Instalment Consideration”	RMB55,000,000
“Third Payment Conditions”	the conditions precedent for the deposit of the Third Instalment Consideration and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement

“Third Settlement Conditions”	the conditions precedent for the release of the Third Instalment Consideration to Zhongshan CG and described in the section headed “Principal Terms of the Sale and Purchase Framework Agreement — Terms of Payment of Consideration” of this announcement
“Transitional Period”	collectively, the First Transitional Period and the Second Transitional Period
“Voting Proxy Agreement”	the voting proxy agreement to be entered into between JMJ Holdings and Zhongshan CG
“Working Day”	the statutory working days in the PRC
“Zhongshan CG”	Zhongshan Bicui Property Development Co., Ltd.* (中山市碧翠房地產開發有限公司), a company established in the PRC with limited liability
“%”	per cent
“*”	for identification purposes only

By order of the Board
Jiumaojiu International Holdings Limited
Guan Yihong
Chairman

Hong Kong, September 29, 2022

As at the date of this announcement, the Board comprises Mr. Guan Yihong as chairman and executive Director and Mr. Li Zhuoguang, Ms. Cui Longyu and Mr. He Chengxiao as executive Directors, and Mr. Deng Tao, Ms. Tang Zhihui and Ms. Zhu Rui as independent non-executive Directors.